

The NATIONAL UNDERWRITER

"\$600 worth
of lumber, please



"I'm building the house myself"

SOME pay more for lumber, some pay less. But we all know the amateur house builder gets an expensive education. The middlemen pay their way in the building field as elsewhere—the architect in planning, the contractor in speed and experience, the building supply dealer in wide stock and prompt service, the skilled workman in craftsmanship that lasts through the years. In fact most home financing is contingent upon good plans, reliable materials and capable supervision.

When the architect, the contractor or the master builder buys insurance from the experienced agent or broker of a stock insurance company he does not say "\$50 worth of insurance please." He asks for and gets the advice and full

services of an expert purchasing agent in the complex insurance field, like himself an expert middleman. No worries about uncovered risks that might wreck a business.

* * *

Because we believe so thoroughly in the services of an expert middleman whether architect, contractor, insurance agent or broker, we refuse to accept business direct because it is not in the interest of the Company or the assured to do so. When *you* buy National Surety Fidelity Bonds, Surety Bonds, Burglary or Forgery Insurance through your local insurance agent or broker, you deal with a customer and friend who is a fellow member and supporter of the American Business System.

● This is a reprint of an advertisement of National Surety Corporation which appeared in *American Builder*, a leading publication in its field. It was directed to the independent business men in the building trades in your city.

This advertisement has also appeared in a long list of banking and financial publications. It is an effective sales help to our agents and another proof of our belief in and support of the American Agency System as a part of the American Business System.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, President

THURSDAY, MAY 4, 1939

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A black and white line drawing of a man and a woman looking at a calendar. The man, on the left, is wearing a suit and tie, and is pointing at a date on the calendar. The woman, on the right, is wearing a simple dress and is looking at the calendar with a concerned expression. The calendar is a standard grid showing days of the month. The man's finger is pointing to a date in the middle of the month. The woman's hand is resting on the calendar. The background is simple, with a few lines suggesting a room.

Very truly yours,
John Doe

May we tell you about other unusual sales and educational aids which help our representatives to achieve INCREASED PRODUCTION? We'll gladly ask our fieldman to call if you'll address



ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

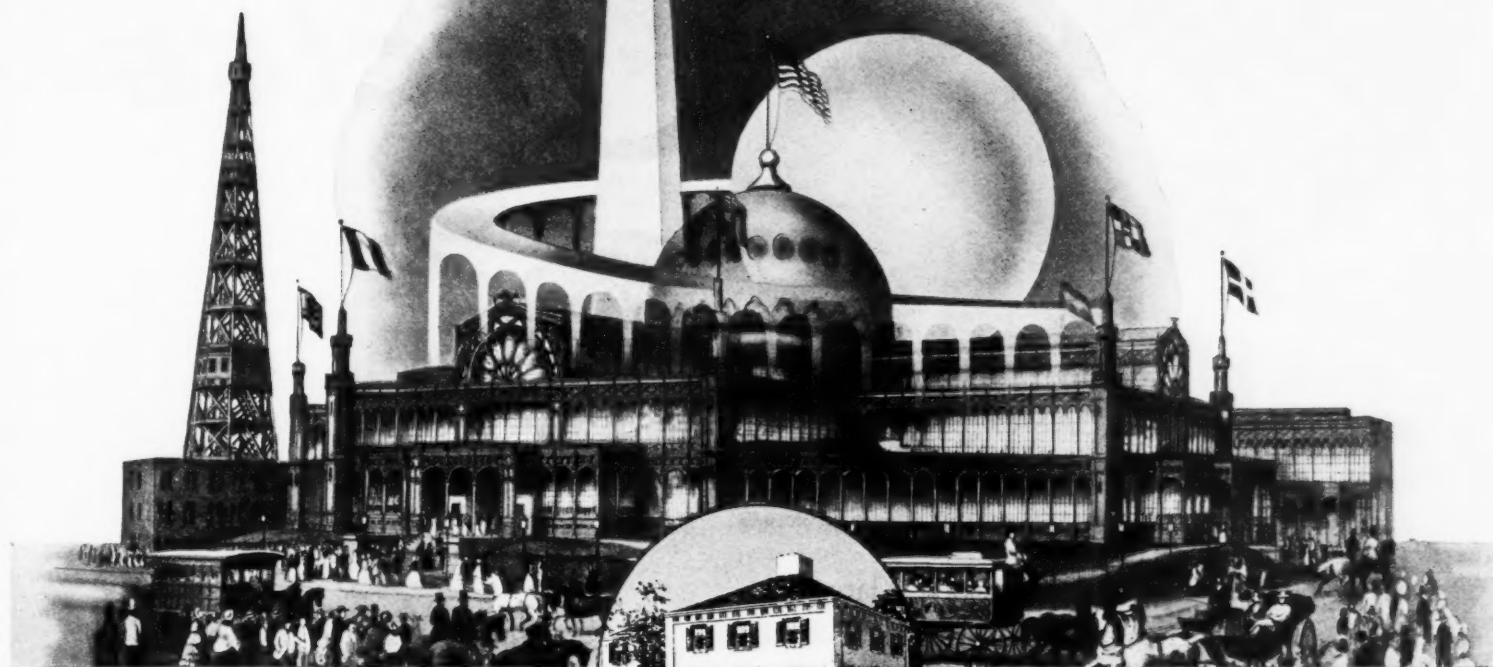
AMERICAN & FOREIGN INSURANCE COMPANY BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. QUEEN INSURANCE COMPANY OF AMERICA THE NEWARK FIRE INSURANCE COMPANY FEDERAL UNION INSURANCE COMPANY ROYAL INSURANCE COMPANY, LTD. THE SEABOARD INSURANCE COMPANY STAR INSURANCE COMPANY OF AMERICA

From Fair to Fair

1853

ON THE FAIRWAY OF TIME

1939



NEW YORK'S first World's Fair, in 1853, was housed in the Crystal Palace in Bryant Park at the rear of the old reservoir where the New York Public Library now stands.

Flanked by the Latting observation tower, this structure with its 'perispheric' dome projected a promise of things to come that the new New York World's Fair more than fulfills in its demonstration of human progress during the past eighty-six years. The factor of security afforded by sound stock fire insurance contributed in no small measure to the uninterrupted pace of this progress down the fairway of time. Since its founding in 1853 The Home Insurance Company, through the

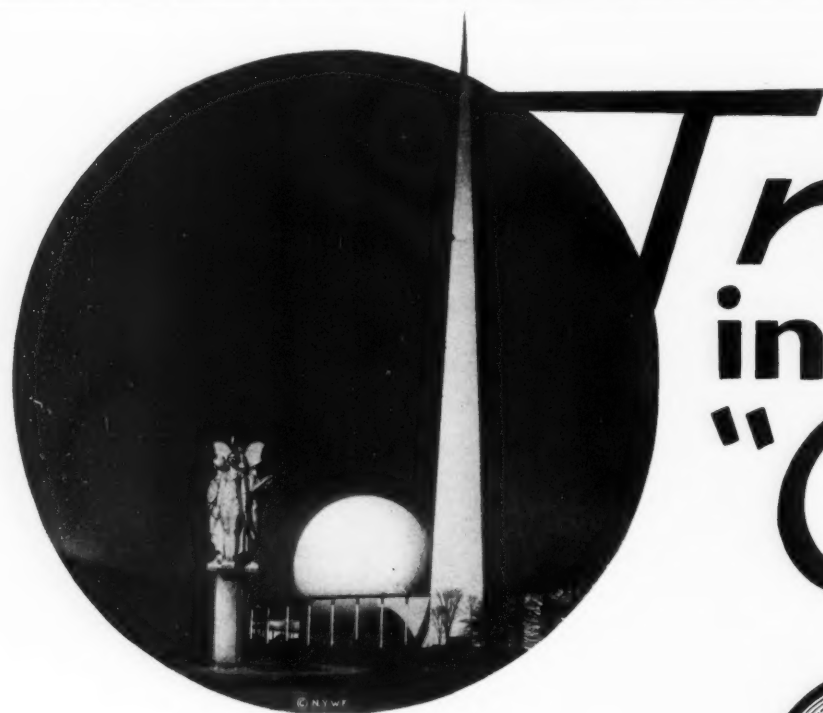


recognition of its progressiveness and financial soundness by property owners of the nation, has become the

leading insurer of American homes and the homes of American industry. As the new World's Fair prophesies of things yet to come, so does this institution anticipate the opportunity for still greater service to the insuring public. The Company has established headquarters in "The Home of The Home of New York"—Home No. 19 in The Town of Tomorrow at the 1939 New York World's Fair. The main offices of the Company are at 59 Maiden Lane, New York.

The **HOME** INSURANCE
COMPANY
NEW YORK

★ ★ ★
The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.



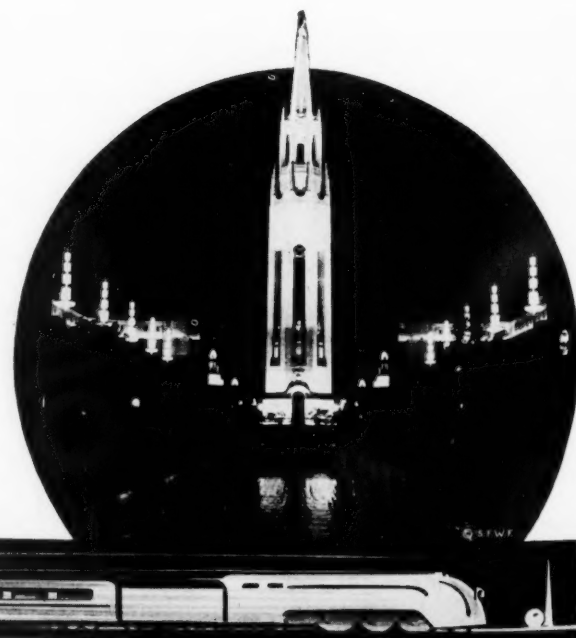
Travel in the Best "Circles"

Your policyholders will travel in the "best circles" if they carry a "MERCANTILE" Personal Effects Insurance policy against loss or damage by fire, theft, wreck and transportation hazards.

During vacation time there is always a large volume of travel; but with two "World's Fairs" travel should reach a new peak, thus offering innumerable opportunities to write Personal Effects business. Seek prospects among policyholders, friends and neighbors and in the "Personal" and "Society" columns of your local newspapers.

A supply of Personal Effects policies will gladly be sent you, on request, for issuance in your own office.

THE
MERCANTILE
INSURANCE COMPANY
OF AMERICA



The NATIONAL UNDERWRITER

Forty-third Year—No. 18

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 4, 1939

\$4.00 Per Year, 20 Cents a Copy

Chicago Agents Attack Change in Marine Rating

Membership of Local Board Censures Setup of Personal Property Floater

Although the membership of the Chicago Board, at the quarterly meeting, voted to sustain a protest against the action that the directors had taken in connection with the program to set up a separate rating bureau in Illinois for the personal property floater, no official action has been taken to undo what has been done and the order of the Illinois department still stands that the projected personal property floater rating bureau shall commence operations June 1.

Some may contend that the vote constituted a demand upon the directors to withdraw their previous action of relinquishing jurisdiction over the personal property floater. Others take the position that the motion merely constituted censure of the directors and does not require the board to take positive action. As a practical matter, some say, the program for rate control of the personal property floater is a step that was initiated by most of the leaders in the Inland Marine Underwriters Association and that these companies will not countenance interference with their plans by the Chicago Board.

Reason for Giving Up Voice

The Chicago Board relinquished jurisdiction over the personal property floater on the theory that it had to be done if a separate bureau were set up, because the Illinois insurance code provides that a company may not belong to more than one rating organization that is promulgating rates for the same property.

The directors of the Chicago Board at a meeting March 2 took action abrogating the rules which the Chicago Board, as a whole, had adopted in April, 1936, in connection with the personal property floater. On the ground that this action had been taken without any prior notice to members, a number of influential Chicago agents filed an appeal and the matter came up at the quarterly meeting last week. There was considerable discussion of the issue and then a motion was presented protesting what had been done as without authority under the rules of the board. That motion prevailed by a large margin.

That the directors will consider this motion a mandate to rescind what they have done seems very doubtful, because the Chicago Board officials had already notified the insurance department of its desire to relinquish control over the personal property floater. The licensing of the Illinois Inspection Bureau and Chicago Board has been amended accordingly and the new bureau to control the rates on personal property floaters has been licensed.

There is some talk of the possibility

Layton Slated for Presidential Toga

Plans Being Made for the Annual Meeting of National Board

NEW YORK—Paul B. Sommers, president of the American of Newark, will have completed two successive terms as president of the National Board, when the organization holds its annual meeting at the Waldorf-Astoria Hotel here May 25, and if long established precedent is followed, he will be succeeded by Frank D. Layton, president of the National Fire, and now vice-president.

Committeemen Who Retire

Five new members of the executive committee will be chosen to replace the late Montgomery Clark, Hanover Fire; C. V. Meserole, president Pacific Fire; George C. Long, Jr., president Phoenix of Hartford; J. Lester Parsons, president United States Fire, and Gilbert Kingan, United States manager London & Lancashire, whose terms will have expired. The list of nominees for offices and for membership on the executive committee is prepared by the ex-presidents: R. M. Bissell, president Hartford Fire; George G. Bulkley, president Springfield F. & M.; James Wyper, vice-president Hartford Fire; C. Weston Bailey, chairman American of Newark, and F. W. Koeckert, United States manager Commercial Union.

Program to Follow Precedent

The program for the gathering this year, it is understood, in conformity with that of previous meetings, will be restricted to the presentation of the president's address and reports of the different standing committees. While arrangements have not yet been completed, it is thought the famous National Board day dinner will take place the evening of May 25, also at the Waldorf-Astoria.

Deductible Clause Is Removed from Vandalism Form

By action of the Explosion Conference and interested committees, the \$100 deductible clause is removed from the vandalism and malicious mischief endorsement in all jurisdictions except Washington, Oregon and Virginia, effective May 1. A new supply of endorsements, eliminating reference to any deductible provision, is being printed, but in the meantime companies and agents may use the present endorsements, deleting reference to the deductible.

When the vandalism and malicious

of agents instituting a court action to challenge the setup of the personal property floater bureau. Such an action would probably be predicated on the

(CONTINUED ON LAST PAGE)

Texas Local Agents Program Announced

Annual Meeting at Waco Will Have Many Interesting Features

The program is announced for the annual meeting of the Texas Association of Insurance Agents at the Roosevelt Hotel, Waco, May 17-19. It is:

Wednesday, May 17

10 a. m.—Meeting, board of directors.
2 p. m.—Meeting, local exchange officers. Chairman, Willard Brown, president Corpus Christi Insurance Exchange; secretary, John W. Daniel, executive secretary, Insurance Exchange, Houston.
7 p. m.—Exchange officers dinner, complimentary Waco Insurance Exchange.

Thursday, May 18 Morning Session

Call to order, Davis Stribling, general convention chairman, president Waco Insurance Exchange.
Invocation, Rev. Ernest Van R. Stires, St. Pauls Episcopal Church.
Address of welcome, T. M. Gribble, mayor of Waco.
Response, Frank C. Gittinger, San Antonio, vice-president Texas Association of Insurance Agents.
Address by the president, D. A. Clark, Sweetwater.
Greetings from field men: F. L. Brackney, Dallas, most loyal gander, Texas Blue Goose; Bob Deen, San Antonio, most loyal gander, Alamo Blue Goose; R. A. Hickman, Houston, most loyal gander, South Texas Blue Goose.
Appointment of committees.
Address by Walter Woodward, Austin, chairman board of insurance commissioners.

Thursday Afternoon Session

Reports: Secretary-treasurer; membership, Frank C. Gittinger, San Antonio; rates and forms, Mitchell Ragland, Paris; casualty and surety, Melvin Miller, Fort Worth; legislative, C. F. Dieter, San Antonio.

Open discussion on subjects to be submitted by members and officers.
Report of nominating committee.
7 p. m.—Get-together dinner, Karem Temple Ballroom.

Friday, May 19

Introduction of new officers.
Address by Payne H. Midyette, Tallahassee, Fla., member of executive committee, National Association of Insurance Agents.
Special Committee Reports: (a) resolutions, (b) auditing, (c) by-laws.
Address by John H. Egloff, Hartford, Conn., supervisor, agency field service, Travelers.

mischief coverage was first introduced, the rules provided for a \$500 deductible. Later this was reduced to \$100 and in recent months some of the non-affiliated companies have been eliminating the deductible and writing at independent rates, particularly in connection with builders risks on dwellings in certain places.

The removal of the \$100 deductible applies to all classes of risks—dwelling, mercantile and manufacturing. It applies to the extended coverage—malicious mischief endorsement and to the malicious mischief endorsement in connection with single state reporting forms.

What Insurance Is Contributing to Aid in Recovery

Vice-president L. E. Falls of the American in Address at Washington

WASHINGTON, D. C. — At the meeting of the insurance division of the U. S. Chamber of Commerce over which its chairman, President O. J. Arnold of the Northwestern National Life, presided, Vice-president L. E. Falls, American of Newark, was one of the speakers. He stated that insurance—fire, casualty and marine—is a business—not a science and not a profession. Its rates of premium, its practices, its need for public relations and the competitive use of the varying methods of various insurance companies, are, he added, matters of judgment based upon the experience of these companies. These factors, and the judgment upon which they are based, are practical, as contrasted to scientific. Insurance is not a profession for some of the same reasons; but principally it differs from a profession because its income and its rewards are the out-turn of employing the opinions and judgments of its operators, and not fees for the giving of advice nor for the rendering of professional services.

Insurance Ranks High

As a business, he declared, insurance ranks high and ranks high among those upon which other businesses rely for a measure of security while they follow their own pursuits. "I say it ranks high," Mr. Falls said, "because it administers a business of some \$1,500,000,000 a year, with a record of stability, in the last 146 years, unsurpassed by any other business of like volume. The oldest capitalized stock company in this country started business in 1792 and is still operating successfully. In the so-called depression years since 1929, only one capital stock fire company has failed in its obligations to policyholders, and that was a small company. There are 74 insurance companies operating in the United States each more than 100 years old, and 168 companies more than 75 years old. Fire companies in the National Board alone, of which there are 198 in number, employ more than 5,000 men and women; invest more than \$900,000,000 in public utilities, manufacturing, merchandising and transportation companies; furnish investment opportunity for large and small savings of individual citizens; and supply the guarantee against sudden financial shock and consequent cessation of gainful activity needed by property owners and all kinds of businesses. To this employment roll are added about 150,000 agents and their hundreds of thousands of agency employees, who spend their incomes for the products of other businesses.

"In the development of enterprise, in-

(CONTINUED ON PAGE 20)

Legislation and Lower Auto Rates Up

Cooperation Stressed in Wisconsin—Calhoun Opposes New Premium Cut

MADISON, WIS.—Agents and field men from all parts of Wisconsin and guests from agency and company ranks in adjoining states attended the annual mid-year conference of the Wisconsin Association of Insurance Agents here. The mid-year was held in the capital city this year because of the legislative session now in progress, which afforded the insurance men an opportunity to visit the senate and the assembly in session during the morning and meet the representatives personally and informally during the supper and get-together that evening. On alternate years the mid-year is usually held in Milwaukee, with the annual convention in fall held in some state city.

In addition to the legislative complex, the meeting this year was also opportune for a brief discussion in the meeting and considerable discussion among the agents before and after the session, of the all-important situation developing from announced reductions in automobile casualty rates by bureau companies. With only a few companies having filed their new rate schedules with the Wisconsin department here, there was speculation as to what various non-bureau and mutuals would do. What seemed to be the biggest question in the minds of many agents was the effect of lower rates on the agents' commission dollar.

Must Stand Together

In opening the session, W. C. Thornton, Fond du Lac, president, commented that "there probably has never been a time in our history where we had to stand side by side and together face the problems of our business, as at present. There is need for well organized group, meeting for the purpose of sanely and calmly settling these problems through discussions based on sound principles."

"What has been accomplished in easing the burden of the individual couldn't have been accomplished without the united support of our members. Unified solidarity is necessary for the proper functioning of our association. The individual no longer can cope with the many problems which arise in the business."

President Thornton introduced William Jennings, Rockford, president of the Illinois association, and Harry Levant, Eveleth, newly named president of the Minnesota state group. He also presented one of the oldest active agents in Wisconsin, Orville Morse of Janesville, and one of the first secretaries of the state association about 40 years ago.

The meeting was formally opened, after call to order by President Thornton, with the singing of "America," led by W. B. Calhoun, Milwaukee, national insurance-songleader. Robert M. Parr, president Madison Board, extended the welcome, and greetings were brought by D. W. Swanson, St. Paul Fire & Marine, president Wisconsin Fire Underwriters, and R. E. Hoskins, Milwaukee Mechanics, for the Wisconsin Insurance Club. The response was made by Grover Miller, Racine, chairman of the executive committee. Walter Schar, secretary Madison Board, was general chairman of local arrangements.

Commenting that the insurance business is an industry second to none and that it affects everybody from the cradle to the grave, H. J. Mortensen, Wisconsin insurance commissioner, discussed the responsibility of the agent to the companies and the public in giving equitable and fair consideration. Without even a suggestion of the perennial

Connecticut Commissioner Is Now Reappointed

John C. Blackall has been reappointed insurance commissioner of Connecticut for another term of four years. Despite the fact that Mr. Blackall is a Democrat and the new administration is Republican, his value was recognized and the state senate unanimously confirmed his nomination.

Mr. Blackall is a lawyer. He was appointed insurance commissioner four years ago by Governor Cross. He was then completing a term as Democratic state senator.

Mr. Blackall was guest of the members of the insurance committee of the general assembly at a luncheon and it was while that function was in progress that the nomination went to the senate.

Mr. Blackall has been influential in the ranks of the National Association of Insurance Commissioners and he has endeared himself to the insurance people of his own state.

Reservations on "Special" 100

NEW YORK—More than 100 reservations have already been made on the special train carrying commissioners and their official families to the annual convention at San Francisco, according to Deputy Superintendent Edward McLoughlin.

L. C. Riker Honored

Officials of the London Assurance Group joined this month in the celebration of State Agent L. C. Riker's 25th full year with the organization. Invited to New York with Mrs. Riker at the request of Manager Nourse, the London fieldman in Kentucky and Tennessee was feted at a luncheon attended by all head office department heads, and Mr. and Mrs. Riker were the guests of Mr. and Mrs. Nourse at a dinner party and a theatre party.

R. G. Richards, former agency secretary and advertising manager of the Atlantic Life of Richmond, Va., who is now associated with the Livermore & Knight Advertising Agency at Providence, R. I., received second prize offered by Harold Holt & Co. of that city, general agents Continental Casualty, in the Continental Casualty safety name contest. He was awarded \$50.

agents' qualification bill in the present session, he said, legislation trends are encouraging. The few complaints are (CONTINUED ON LAST PAGE)

Plans Fight for Colorado Position

West, Governor's Appointee for Commissioner, Will Seek Court Authority

Summers E. West, local agent at Pueblo, has announced that he will institute court action in an effort to establish his right to serve as Colorado insurance commissioner. He was appointed commissioner by Governor Carr but the appointment was rejected by the state senate. Previously the Colorado attorney general had appointed Luke Kavanaugh as commissioner and he is serving. Mr. West has retained V. G. Seavy of Pueblo as counsel. The question as to the appointive power is in doubt in connection with a number of state positions and Mr. West said the governor is determined to thresh the matter out in court and that the governor believes that the best test case is that of the insurance commissioner.

In the event that the supreme court should decide in favor of Governor Carr in this matter, Mr. West's appointment would have to be re-made and classed as an interim appointment, in which case senate approval would probably not be necessary. The provisional appointee, however, would have to pass a civil service examination, the permanent appointment being determined by his standing in that test.

The governor might force Mr. Kavanaugh out of office by vetoing a bill to raise the commissioner's salary. This measure, which provides a \$4,200 salary for the commissioner, an actuary at \$3,000 and two additional examiners for the department, was passed by the legislature before adjournment.

Under the bill appointments of the actuary and the two additional examiners are specifically allotted to the governor.

Meanwhile, the governor has invoked his legally established right to appoint the state hail commissioner in naming Lon Poinsett of Sheridan Lake to replace Joseph Bixby of Denver in this position.

The engagement of Miss Mary Elizabeth Roesch of East Orange, N. J., to F. W. Mallalieu, Jr., special agent in eastern Pennsylvania, Maryland and Delaware, has been announced. Mr. Mallalieu is a nephew of W. E. Mallalieu, general manager of the National Board.

Changes Made in D. F. Broderick, Inc., and Service Fire

In a reorganization of the prominent Detroit agency of D. F. Broderick, Inc., Frank R. Dimond has been elected president. He has been with the organization since 1937 as vice-president in charge of the marine department. Previously he had been vice-president and general manager of the Detroit office of Johnson & Higgins. He went with Johnson & Higgins in 1921. He started with the prominent Chicago marine agency of Osborn & Lange, Chicago, in 1913.

Mr. Broderick, formerly president, becomes chairman. D. P. Dinwoodie continues as vice-president. Three former vice-presidents have resigned, they being C. M. Verbiest, who was also general manager, R. J. Byrnes and M. F. McCaffrey. The two latter, both of whom were formerly with Johnson & Higgins in Detroit, are forming their own agency.

Officers That Continue

The other officers of D. F. Broderick, Inc., are now: K. E. Black, J. W. Park and L. G. Goodrich, vice-presidents; F. T. Leach, who was formerly with Johnson & Higgins in Detroit; A. W. Roehm, J. M. MacDonald and C. A. Istock, assistant secretary-treasurers.

David F. Broderick has resigned as president and as a director of Service Fire of New York. Arthur E. Petersen, heretofore vice-president, has been elected as the new president. Service Fire is controlled by Commercial Investment Trust that also operates National Surety. Mr. Petersen is an official of C. I. T.

The offices of D. F. Broderick, Inc., at Detroit, San Francisco, Chicago and New York continue as general agents of Service Fire in charge of its operations.

In addition to Mr. Broderick, these officers and directors have also resigned: C. M. Verbiest, D. P. Dinwoodie, K. E. Black, R. J. Byrnes.

New officers include: John I. Snyder, vice-president and treasurer; Melvin Karpf, vice-president; L. H. Spanyol, controller, and A. A. Laporte, secretary.

FORM BYRNES-McCAFFREY AGENCY

The local agency of Byrnes-McCaffrey, Inc., with headquarters at 1615 Ford building, Detroit, has been organized by three former officials of D. F. Broderick, Inc. The principals are R. J. Byrnes, president, M. F. McCaffrey, vice-president, and W. H. Price, secretary and treasurer. These three men were formerly until about two years ago connected with the Detroit office of Johnson & Higgins. Mr. Byrnes was manager of that office, Mr. McCaffrey in charge of the fire end and Mr. Price was the engineer.

B. D. O. Will Soon Have Pacific Office

NEW YORK—A. R. Menard, director of the Business Development Office, and H. P. North, who joined the organization early this year, plan starting for San Francisco within the next two or three weeks to arrange for establishing a Pacific Coast division with Mr. North as its manager. While Mr. Menard will travel direct by train, Mr. North intends making the journey by motor car, stopping at Nashville to pick up his wife and family, who will make their future home in San Francisco. Prior to assuming his present connection, Mr. North was in the Tennessee field for the Springfield F. & M. for a number of years, before that having been successively with the Missouri and Tennessee Inspection Bureaus.

T. M. Gribble of the T. M. Gribble Insurance Agency, Waco, Tex., has been elected mayor of Waco.

THIS WEEK IN INSURANCE

Insurance division of the U. S. Chamber of Commerce holds meeting in Washington, D. C., this week. **Page 3**

Program is announced for the annual meeting of the Texas Association of Insurance Agents. **Page 3**

Plans being made for annual meeting of the National Board. **Page 3**

The \$100 deductible clause in connection with vandalism and malicious mischief endorsement is removed by action of the Explosion Conference. **Page 3**

Much interest is taken in the Western Underwriters Association investigation of affiliated lines. **Page 12**

Legislation and new automobile liability rates chief topics of discussion at Wisconsin Association of Insurance Agents' mid-year conference. **Page 4**

Officials of the Business Development Office will soon go to San Francisco to establish a branch there. **Page 4**

Much interest in the selection of officers of Millers National headed by Leslie C. Gray of Kansas City, the president. **Page 8**

Six men are promoted by the Pacific National Fire. **Page 12**

Loss file claims are closed by the adjustment committee of the National Board on the New England windstorm. **Page 8**

California insurance men will fight Governor Olson's plea for state monopoly workmen's compensation insurance. **Page 18**

Court fight over Colorado insurance commissioner post likely. **Page 4**

Western Underwriters Association committees announced for the year. **Page 10**

Numerous independent companies announce new auto P. L. and P. D. rate setup following drastic slash by bureau institutions. **Page 17**

James M. Haines again heads Association of Casualty & Surety Executives. **Page 17**

New burglary and theft coverage on personal property away from residence announced by National Bureau. **Page 10**

Insurance companies and their lay adjusters win a sweeping decision in the important Missouri case that has been in litigation for the last two years. **Page 17**

The burglary rate situation has now been stabilized in Philadelphia, where during a seven weeks period the city was operated under four successive rate schedules. **Page 19**

Commissioner W. S. Hanna of Maryland becomes president of National Underwriting Corporation. **Page 26**

Program is announced for the annual meeting of the Illinois Farm Insurance Agents Association at Peoria. **Page 33**

Nominations are made for officers of the Pacific Board. **Page 36**

E. J. Perrin, Jr., vice-president Automobile, president Inland Marine Underwriters Association, will preside over the meeting of the latter this week. **Page 37**

Illinois Agents License Law Is Completely Revised

The bill sponsored by the Illinois department, governing the licensing of agents, brokers and company service representatives, that was introduced in the house last week and in the senate Tuesday of this week, is a complete re-writing of the licensing act that became effective in Illinois July 1, 1936. It contains a number of important changes. It has been reported on favorably by the house insurance committee.

Instead of having all licenses terminated on March 1, the new act provides for staggering the license date for various classes of representatives. The licenses of brokers and company service representatives will terminate Feb. 28, those of life insurance agents May 31, casualty agents Sept. 30 and fire agents Dec. 31.

The arrangement is intended to give the license division a more even flow of work throughout the year and this will also result in better service for companies and producers.

License Cost Reduced

License fees are to be reduced by one-half where the license is to remain in effect for less than six months. The present law provides that these are to be paid on a flat annual basis even though the license may have had only one week to run before expiration.

The Insurance Brokers Association of Illinois entered objection to the provision:

"When an insurance contract is canceled, either by the assured or the insuring company, the commission or brokerage on the unearned premium of the contract shall be refunded to the proper party by the agent, broker or company service representative, as the case may be."

A committee of the brokers association had a conference with J. O. Brown, head of the license division of the Illinois department. The brokers presented their position and Mr. Brown agreed to have introduced an amendment striking out this portion of the bill. The brokers took the position that their commission is earned the moment a policy is written. They also stated that the short rate cancellation table was devised to take care of situations of this kind. The brokerage committee consisted of R. M. Redmond, A. T. Graham and J. J. Monahan.

The proposed new act eliminates the provision in the present law for the issuance of temporary 90 day licenses. These have been issued on the submission of a qualification blank on the part of the licensee and an application blank on the part of the company. The department found that this provision has been largely abused, because 43 percent of the holders of temporary licenses never appear for examination. Most of the temporary licenses are issued in the life insurance classification.

The new act also abolishes the solicitor classification. There have been about 3,300 solicitors licensed in the state. Those in this class were licensed without an examination providing they were in the full time employment of an agent. The department found that the provision for licensing of solicitors created abuses.

The new act requires agents and brokers to maintain certain books and records. In the present act there is no such provision. The records that must be kept include name and address of assured, name of company interested, type of coverage given in the policy, inception and termination date of the policy, cancellation date, premium charged including additional and return premium, and based on amounts of premium payments received from insured; name, address and license number of broker if business was received from broker; the date, amount and name of person to

Insurance Not on Pre-Recess Agenda

WASHINGTON—Neither life nor general insurance is included in the calendar of the monopoly committee's hearings which Chairman Joseph C. O'Mahoney has just released covering the committee's agenda to the time of its summer recess, which is scheduled for early in July. When the hearings on life insurance ended Feb. 17 it was indicated that hearings on life insurance would be resumed in approximately another month. It was also thought that fire and casualty insurance would be taken up some weeks later.

New War Risk Forms, Rates Expected from Conference

HARTFORD—A special committee of the Explosion Conference has been studying war risk rates, forms and underwriting principles and it is believed that at least a preliminary announcement will be made shortly. The committee has already submitted tentative drafts of contracts and rate schedules to some authorities, it was learned here.

It is believed that war risk insurance will be completely divorced from riot and civil commotion rates and rules and written in independent classifications. Coverage will be divided into two zones, coastal and inland, according to reports, and different rates will apply in the two zones. Consideration of the risk itself, whether it is a munition plant or other possible war objective, will also go into determination of rates.

Rules Recently Cancelled

A few weeks ago the Explosion Conference withdrew from the manual the section governing war risk insurance. The old rate was 10 percent of the riot and civil commotion rate, and the companies became apprehensive when several large risks were offered them at this rate.

While war risk coverage can be obtained in most cases on ocean marine risks, although at a very high rate in some localities, it has been virtually unobtainable anywhere on land risks. Practically all ocean marine contracts now provide for termination of the war cover as soon as the insured property is landed, even though the marine policy otherwise includes coverage in warehouses. Even in war-torn areas, the hazard is regarded as insurable while the property is on water, because the mobility of a ship gives it some chance of escaping hostilities. On the other hand, property in warehouses is a natural target of aerial bombardment, with little chance of escape. Even though the United States is not in any apparent imminent danger of attack, these factors have undoubtedly been considered in determining rates.

Strohm Iowa Fire Marshal

John Strohm of Clinton, Ia., Republican, has been appointed state fire marshal of Iowa, succeeding J. Vincent Pyle, Democrat. Mr. Strohm was fire marshal prior to Pyle's appointment by former Governor Herring. The fire marshal's office formerly was under the direct supervision of the governor but was transferred to the new public safety department by the legislature.

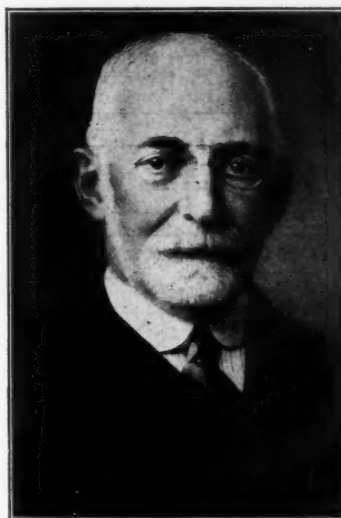
Chicago Office 50 Years Old

The Chicago office of Northern of London May 6 will complete 50 years of existence. It was founded by C. N. Bishop. He was succeeded in 1921 by A. W. Jenkinson, the present manager.

whom commissions are paid or allowed when money, commission or brokerage or anything of value is allowed or paid to any person for or on account of the solicitation of insurance.

Huge Insurance Day on Treasure Island

SAN FRANCISCO — In recognition of his many years of leadership in the insurance business, J. B. Levison, retired president of the Fireman's Fund group, has been unanimously appointed honorary chairman of the insurance day celebration at the exposition on Treasure Island, June 24. Commissioner Goodcell will be master of ceremonies. The program for the day has been partly completed and almost completely planned. Committees are being appointed in every city in the state.



J. B. LEVISON

A program of outstanding speakers and special entertainment, part of which will be nationally broadcast according to present plans, is contemplated. The gathering will be held in huge California Hall on Treasure Island from 10 in the morning until noon. Talks will be made by the president of the National Association of Insurance Commissioners and other official representatives of national insurance organizations. Leland W. Cutler, vice-president Fidelity & Deposit and president of the exposition company, and Mayor Rossi of San Francisco will extend welcomes. It is estimated that from 25,000 to 30,000 will attend the ceremonies. All insurance offices in San Francisco will be closed for the day.

In the evening a buffet supper dance will be held. A special dinner will be staged for the visiting insurance commissioners.

Plan Midyear Gathering of Ohio Agents Association

Plans are shaping for the mid-year meeting of the Ohio Association of Insurance Agents to be held at the Desler-Wallick hotel, Columbus, May 19. Principal speakers will be D. Roger Kenney, Boston, insurance editor "United States Investor," and Superintendent John A. Lloyd of Ohio. There will be an executive session. Admission will be by special certificate. C. B. Plummer, field secretary, will report on membership development and field activities, and President L. Calvin Jones, Youngstown, will report.

An amendment will be considered giving the entire membership, rather than merely the trustees, power to act on joining or withdrawing from other organizations. Messrs. Lloyd, Kenney and Paul R. Gingham, general counsel, will speak at a luncheon.

A. W. Fleming, who retired from business several years ago, while serving as assistant secretary of the American National, is quite ill in Grant Hospital in Columbus.

The Ocean Marine has been licensed in Arkansas for marine and automobile insurance.

Complete Program for Illinois Rally

Full Day Arranged at Rock Island Midyear Meet May 18

The program has been completed for the mid-year meeting of the Illinois Association of Insurance Agents in Rock Island May 18. There is a morning session, two luncheon gatherings, an afternoon program and banquet.

The afternoon program features four addresses by prominent men. F. W. Doremus of Rockford, Ill., associate western manager of American, will give a talk on co-operatives; E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters on "The Insurance Agent in Our Economic System;" W. D. Forsyth, superintendent automobile department in the office of the Illinois secretary of state, "Drivers License and Financial Responsibility Laws," and W. J. Welsh, Kansas City, president Missouri agents association, "Uniform Resident Agency Law."

Greetings from the Mayor

At the morning period the mayor of Rock Island is scheduled to deliver greetings, with response by W. H. Stewart, Chicago, chairman of the Illinois association. W. H. Jennings, Jr., Rockford, will deliver the presidential address. P. B. Hosmer, Chicago, national councillor, will give his report; Frank Smith will report for the legislative committee, and Lillian L. Herring will report as secretary.

J. L. Maehle, Chicago manager American Surety, will lead a discussion on the discovery bond, and M. Le Pitre, Chicago, assistant western manager Fire Association, on the new gross earnings U. & O. form. Chairman Stewart will offer certain amendments.

H. H. Monier, executive vice-president, will preside at a luncheon conference of local boards and membership committee, while Ray A. Bastian, chairman rural agents committee, will take charge of a luncheon group of rural agents.

J. E. Martin of Callender & Co., Peoria, will serve as banquet toastmaster. The principal address will be by Capt. (CONTINUED ON PAGE 13)



D. V. MOODY



C. J. MONTGOMERY
Rock Island Convention Chairman

NEW YORK

MURPHY & JORDAN DROP SUIT

The action of long standing that was instituted by the Murphy & Jordan agency of New York against H. M. Hess, secretary New York Fire Insurance Exchange, and against W. J. Ward, secretary New York Fire Insurance Rating Organization, has been discontinued. This was done at the request of the plaintiff when the action was called for trial in the New York supreme court. Murphy & Jordan started the

action in 1933 as the result of amendment to the rules and regulations of the New York Fire Insurance Exchange. Murphy & Jordan contended that these rules deprived the agency of the class 3 membership in the exchange which it had previously enjoyed.

WOULD COVER FAIR DURING '40

Special subcommittees of the suburban division of the New York Fire Insurance Rating Organization have prepared tentative rates and provisions for insuring risks at the New York fair throughout the winter and until the final closing in 1940, if the fair should be continued next year. A new form would

replace the present reducing building form No. 1. It would be a reducing form but the reducing feature would apply only during the periods the fair is open.

RESPONSES TO QUESTIONNAIRE

A large number of responses is coming in to the questionnaire sent by member companies of the National Board to field men, regarding the attitude of assured and the public generally in their respective territories to the aims and activities of stock fire insurance. The purpose of the inquiry is to keep the personal relations division of the Board in closer touch with property-

owners and so learn wherein the service of stock companies may be improved upon.

ARMOUR INSTITUTE MEN

So highly does the management of the Home fleet regard the technical training furnished by the Armour Institute of Chicago that it has in its employ no less than 17 men who have finished the course. Of the number, Secretary Leonard Peterson and Assistant Secretary Arnold Grasse are at the head office, the others being at strategic centers throughout the country.

MESEROLE IN NEW HOME

The Meserole companies moved into their new home office building at 12 Gold street, New York, Monday of this week. It has been renovated throughout and partitioned to suit the particular requirements of the organization.

Insurer Wins Slander Action

Firemen's of Newark and its Missouri state agent, Clyde L. Tindall, obtained a directed verdict in the Jackson county circuit court at Kansas City, in an action for slander brought by W. W. Gott, former agent of Firemen's at Boonville, Mo. He claimed actual and punitive damages totalling \$40,000.

The claim was based on an alleged slanderous statement made by Mr. Tindall during the course of investigating whether various assured to whom Gott had sold policies had paid Gott the premiums. The court held as a matter of law that the alleged statements made by Mr. Tindall were privileged because of the relationship of the insurer to its policyholders.

The decision is declared to be of importance as clarifying the extent of the investigation that insurers may make of collections made by their agents.

Firemen's and Mr. Tindall were represented by the law firm of Clausen, Hirsh & Miller of Chicago.

Allegation Is Set Forth

Mr. Tindall is alleged to have said to Fred Sombart, at his home in the presence of Charles Friedrich, "We don't want to have a thing to do with Bill Gott; we have tried him and tried him and the truth is not in him; he is collecting money and not turning it into the company." Gott alleged that Mr. Sombart was surety on Gott's agency bond with Firemen's, and that Mr. Tindall went to the home of Sombart to demand payment from him as surety on the bond.

Gott further alleged that Mr. Tindall called on Mrs. J. R. Waber, a policyholder, to inquire whether she had paid Gott for certain policies and whether she still owed Gott for any policy, and that alleged slanderous statements were made to her.

Firemen's successfully contended that the communications alleged to have been made by Mr. Tindall were made on an occasion of qualified privilege and that unless Gott meets the burden of proving that Mr. Tindall was actuated by express malice, the court must take the case from the jury and direct a verdict for the defendant.

Holds Director Must Be Confirmed

LINCOLN, NEB. — John L. Riddell, assistant attorney-general and special counsel for the legislative investigating committee, holds that as the insurance director is head of an executive department, his appointment must be submitted to the legislature by the governor for confirmation. This was news to the governor and to the legislature.

The department was created as a separate bureau some six years ago, but none of the appointments as director since then have been submitted to the legislature nor has it demanded that this be done. Director Smrha was appointed in August, 1935, and this is the second legislative session to pass without the question being raised.

STATEMENT

ASSETS

Cash in Banks and on Hand.....	\$1,242,902.85
Government Bonds (United States)...	2,080,341.00
Government Bonds (Canada).....	177,742.00
Railway Bonds.....	517,789.00
Public Utility Bonds.....	610,462.00
Stocks.....	524,030.00
Premiums in Course of Collection...	471,535.53
Reinsurance Recoverable on Losses.....	15,807.76

Total Funds Convertible Into

Cash on Short Notice.....	\$5,640,610.14
School Bonds.....	234,200.00
State, Municipal and County Bonds.....	484,787.00
Industrial and Other Bonds.....	241,724.00
Real Estate.....	43,851.83
Accrued Interest on Investments.....	39,305.48

Total Assets.....

\$6,684,478.45

LIABILITIES

Unpaid Losses, Net.....	\$ 231,673.40
Reserve for Unearned Premiums.....	2,797,261.65
Reserve for Accrued Taxes.....	60,000.00
Reserve for Accrued Expenses.....	95,000.00
Reserve for Contingencies.....	800,000.00

Total Liabilities.....

\$3,983,935.05

Permanent Surplus Fund..... \$1,000,000.00

Add'l Surplus Over All Liabilities... 1,700,543.40

Total Surplus.....

\$2,700,543.40

ANALYSIS

Q's & A's

- Q. How well is Millers National prepared to meet its "quick" liabilities?
- A. Millers National could convert \$5,640,610.14, or 84.4% of its assets, into cash on short notice and liquidate without delay its liabilities of \$3,183,935.05 with a large reserve of liquidity to spare. It is a remarkable fact that this Company is 177% liquid.
- Q. How does its total admitted assets compare with its liabilities?
- A. Millers National's total admitted assets of \$6,684,478.45 compared to its actual liabilities of \$3,183,935.05 results in a ratio of \$210.00 of assets for each \$100.00 of liability, a ratio of more than 2 to 1.
- Q. In what other respect does the above statement disclose Millers National's unusual soundness as a fire insurance company?
- A. More than half of Millers National's admitted assets is actually surplus. To be exact \$3,500,543.40 of surplus, which of course includes \$800,000.00 in Contingency Reserve, is 52.4% of this Company's admitted assets.

Established 1865
MILLERS NATIONAL
Insurance Company • CHICAGO
 Service Headquarters for Alert Agents



TO-MORROW

Today is the tomorrow of yesterday. One hundred and fifteen years ago, the United States Fire Insurance Company, now under Crum and Forster management, was inaugurated. It was headed by men with vision—men who planned so that a century of "tomorrows" found their handiwork stable and undamaged by time. Today, as then, this company is managed with a realization of future, as well as immediate problems. Clairvoyance? No. Imagination, founded on a bedrock of experience, enables them to form present decisions tempered by possible contingencies. When the trylon and perisphere are symbols as quaint as the Crystal Palace, Crum and Forster will still be offering a service as unique as it is complete. Our agents help you prepare for the World of Tomorrow — today!

UNITED STATES FIRE INSURANCE COMPANY
CRUM AND FORSTER, MANAGERS
110 WILLIAM STREET, NEW YORK CITY

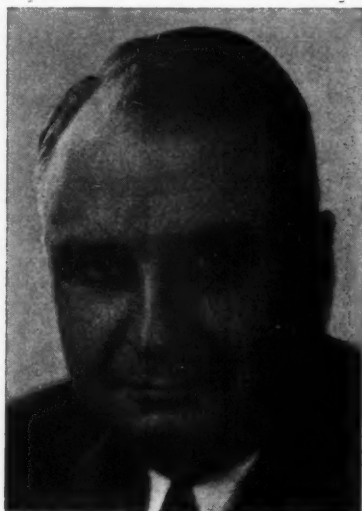
AGENTS: For information about the New York World's Fair, write Information Bureau at the Home Office or any of the department offices listed below.

WESTERN DEPARTMENT	SOUTHERN DEPARTMENT	CAROLINAS DEPARTMENT	PACIFIC DEPARTMENT	ALLEGHENY DEPARTMENT
FREEPORT, ILLINOIS	ATLANTA, GEORGIA	DURHAM, NORTH CAROLINA	SAN FRANCISCO, CALIFORNIA	PITTSBURGH, PENNSYLVANIA

MILLERS NATIONAL OFFICIAL CHANGES MADE



LESLIE C. GRAY
President



W. S. WHITFORD
Executive Vice-president



ARTHUR A. KRUEGER
Secretary-Treasurer

The readjustment of the official personnel of the Millers National of Chicago following the death of the late President H. M. Giles brought about promotions along the line. Leslie C. Gray of Kansas City, who has been general manager of the southwestern agency since 1923, was chosen president. He will commute between Chicago and Kansas City, being found in his presidential office in the latter city about every 10 days. W. S. Whitford, who has been really the second vice-president, becomes executive vice-president and also a director. Arthur A. Krueger, the secretary, now becomes treasurer and also a director succeeding Treasurer A. I. Bushnell, who has reached the retiring age and is laying aside his business cares.

Mr. Gray's Career

Mr. Gray has long been regarded one of the potent and influential directors of the Millers National. He is a man who has had a lifelong experience in insurance and his voice in the councils of the company has often been heeded. He became a director in 1935. His in-

surance experience dates back to 1892, when he became a clerk in a local agent's office in Salina, Kan., and a few years later opened an agency for himself. In 1900 the Springfield Fire & Marine made him special agent for Kansas and in 1905 he became state agent for Missouri making his headquarters in Kansas City. In 1911 he was appointed general agent for the Springfield in both Kansas and Missouri. On his return from the war he went into the general insurance business and in 1923 made his connection with the Millers National in charge of its southwestern agency.

Whitford and Gray Associates

Mr. Whitford and Mr. Gray were closely allied in the field. Mr. Whitford started his insurance career in 1910 and for 21 years he was with the Springfield F. & M., most of this time residing in Topeka being Kansas state agent. One year was spent in the western department at Chicago. Mr. Gray got him connected with the Springfield F. & M. and he acted as Mr. Gray's assistant. In January, 1938, he went with the Millers National as vice-president.

Mr. Krueger has been with the company for 33 years serving in an executive capacity since 1916, when he became chief accountant. In 1928 he was made assistant secretary and in 1933, secretary. He has been active in the statistical and investment end of the business. He is regarded as an expert, a man of very sound judgment and has the confidence of the entire organization.

Bushnell Oldest Employee

Mr. Bushnell retires with honors after 45 years of continuous service with the Millers National. He was the oldest employee from the standpoint of service. From 1906 to 1928 he was manager of the home office and took charge of the credit end of the business. He was made treasurer in 1932.

The official lineup now places the underwriting in charge of Mr. Whitford and the statistical, accounting and secretarial duties in charge of Mr. Krueger. Mr. Krueger has secured an all-round knowledge of the general operations of a company. Mr. Whitford's experience has been underwriting and production.

LEGISLATION

Iowa—Among the insurance laws passed by the Iowa legislature, which is now adjourned, is the important bill requiring stock fire and casualty companies to obtain countersignature of all policies on Iowa risks, written by producers outside of the state and to pay the Iowa resident agent five percent commission.

Another bill that was passed permits mutual companies to write insurance on animal health, explosion, riot and other lines.

Another bill requires actions against reciprocals to be brought against the attorney in fact.

Insurance companies other than life are permitted to invest in their own stock or employes savings plan, under another bill that prevailed.

Florida—The Florida Insurance Agents Association is watching a bill to make the state a self-insurer on state property. Passage would reduce the fire companies' premium income approximately \$48,000. In 1938 the state paid \$124,382 in annual premiums, of which \$77,185 went to the state fund which was established in 1917.

Other insurance measures before the legislature include a bill to strengthen the agents qualification law.

Massachusetts—Commissioner Harrington appeared before the insurance committee in favor of his measure to

prohibit the placing of insurance with unauthorized insurers and to prevent any Massachusetts agent or broker to assist or aid in placing insurance with unauthorized companies. He asked for adoption of the uniform law prepared by the American Bankers Association. The measure excludes marine coverages or insurance taken when coverage cannot be secured in admitted companies. He stated he had a tremendous number of complaints.

John W. Downs, counsel Insurance Federation of Massachusetts, declared the bill conflicted with existing statutes and might cause retaliation if Massachusetts is the first state to adopt the plan.

Colorado—The legislature adjourned without passing any adverse insurance measures.

An agency limitation bill sponsored by state and Denver local agents associations was killed. Another similar bill, which provided that agency license applicants must show they had written twice as much business for outside interests as for themselves, relatives or associates, was also killed.

None of a flood of harmful compensation bills were passed.

Clarkson Named for President

John L. Clarkson, member of Bartholomay-Darling-Clarkson Co. of Chicago will be the next president of the Union League Club of his city as he has been put in nomination by the nominating committee for election at the annual

Carelessness Costly in Event of a Loss

ST. PAUL—How supposedly good business men sometimes get careless about their fire insurance was demonstrated in the case of the Mutual Paint Co. fire in St. Paul, almost a complete loss. Two or three policies which expired early this year were not renewed by the agents without notifying the paint firm owners. The latter neglected to check over their policies and not until after the fire did they discover that these particular policies had not been renewed. Not only did the firm members overlook this important matter but the owner of the building and the mortgagee also neglected to see that the insurance was kept in force.

The result will be that the owners of the paint company and the building it occupied will be able to realize on only a small part of their loss.

Urges Defense on Assessments

MADISON, WIS.—Wisconsin policyholders of the Indiana Liberty Mutual have been advised by Commissioner Mortensen to hire jointly legal counsel to defend themselves against actions

meeting May 23. He has served as vice-president for the year and chairman of the prominent public affairs committee.

Loss Files Closed on the New England Hurricane Claims

NEW YORK—The emergency bureau established by the committee on adjustments of the National Board to clear claims arising from the New England windstorm last September closed its files April 30. At that time, the members and the subscribers to the actuarial bureau had recorded 27,480 loss cards on property involved in the area from Maine to Pennsylvania.

Losses incurred by stock fire companies exclusive of claims under automobile policies, are estimated at \$9,945,617.

Ill. Arson Rule Is Modified

The Illinois supreme court, in *Anton E. Sundquist vs. Hardware Mutual Fire, et al.*, has rendered a decision that should make easier the work of those engaged in fighting arson. By this decision, the Illinois supreme court recognizes the so-called "preponderance" rule, as distinguished from the "reasonable doubt" rule as applying to cases in which, in a civil suit, the commission of a felony is alleged, either as a cause of action or a defense.

Heretofore the "reasonable doubt" rule has prevailed in Illinois in connection with cases following denial of liability of fire companies on the ground of arson.

Although the court, in this case, announced that the reasonable doubt rule will no longer be adhered to, the decision in the case went against the insurers. The supreme court found that the instructions to the jury in the lower court did not include the statement that the defense of incendiary must be proved beyond a reasonable doubt.

Sundquist, the assured, conducted a retail furniture business in Galva, Ill. He was insured in the Federal Hardware & Implement Mutuals. Fire occurred Dec. 24, 1936. The Federal Hardware & Implement Mutuals contended that the fire was of incendiary origin.

The insurers insisted that the trial court erred when it refused to give the following instruction on behalf of the insurer: "The court further instructs the jury that if you believe from a preponderance or greater weight of the evidence that the plaintiff, with intent to cheat and defraud the defendant, wilfully and maliciously set fire to or caused to set fire to or burned or caused to be burned, the property described in the policies of insurance sued on, then your verdict should be for the defendant."

The supreme court observed that in all other states except Illinois and possibly one other state, the preponderance rule has been applied.

So far as the present litigation is concerned, the supreme court stated that the plaintiff did not request and the court did not give any instruction requiring proof of anything beyond reasonable doubt. The only error claimed was in the refusal of the instruction that was cited above.

The supreme court stated that this instruction should have been given. However, the supreme court stated that the defendants were not prejudiced in any degree by the refusal of the trial court to give that instruction. Hence the judgment of the lower court and the appellate court was upheld.

started by the mutual to collect special assessments levied in 1933. The assessment against policyholders in this state was characterized by the commissioner as "illegal, discriminatory and inequitable." It has been estimated that the mutual had 3,000 policyholder-members in Wisconsin at the time it was ordered to cease its operations after the department ordered its license canceled.

Hayford Debunks Price Importance

"Get away from the idea that price is paramount. It isn't. Service and benefits sell the insurance."

This is what J. B. Hayford, manager insurance and properties, United States Gypsum Company, told the Insurance Club of Chicago in speaking on reactions of an insurance buyer.

Large companies need and appreciate the service which insurance sellers give them, he said, particularly that offered by the broker. Mr. Hayford believes one large brokerage firm should handle the business of a big company because it can present a combination of experience, knowledge and advisory ability which the individual broker cannot hope to do. In addition economies are effected.

He advised the individual broker, if he wants to sell big companies, to become part of a large brokerage firm.

In criticizing the selling methods of agents he said that many do not find out enough about the insurance buyer and the company before they come in to sell.

"Many times," he said, "agents have tried to sell me a package of goods which pertains only to Illinois, despite

the fact our company is national in scope."

He cautioned against the making of wild statements and exorbitant claims. Agents should deal in facts, not in fancies.

"Fifty percent of the agents who come to see me," he said, "open with the statement that they can save my company money despite the fact that they know nothing of our problems and do not have the necessary information for such a determination."

As a different approach, he suggested that the agent tell the buyer of his experience, his appreciation of the fact that the company has insurance problems which he does not know about, and that he feels qualified to work them out with the buyer.

"Pull," he said, "does more harm than good."

Agents Talk Too Much

Things which he found distasteful in many agents are that they talk too much about other topics than insurance, instead of getting down to business; are too persistent and call too often; and do not seem to appreciate that insurance problems must be talked over with other executives.

"Fifty percent of the agents," he said, "talk down their competitors. This makes a decidedly bad impression."

He cautioned against the agent requesting confidential information about the company, stating that it does not care to broadcast its affairs promiscuously.

Know Subject, Don't Bluff

He advised agents to know as much about their subject as possible, be sure of their facts and not try to bluff. If they do not know about something, they should admit it and call their home office about it.

"Above all, present your lowest bid at the outset. Shaving arouses suspicion. Don't make the price too low. The price is not the controlling factor where insurance is concerned. Don't make your presentation too complicated. Get down to fundamentals."

As an entertainment feature the Insurance Brokers Male Chorus sang.

Students who attended the Institute classes this past term were guests of the Insurance Club of Chicago Wednesday night. An evening of entertainment by radio and theatrical stars was provided.

McKesson & Robbins Insurance

NEW YORK—Contrary to rather widely circulated reports, the entire line of the McKesson & Robbins drug house is still carried with the Associated Reciprocal Exchanges, managed by E. W. Brown, Inc., of this city, as has been the case for a number of years. When the difficulties in the affairs of the drug company were revealed several months ago, consideration was given the suggested transfer of the indemnity to stock companies. The directors decided, however, to continue with the reciprocals, after arranging with London Lloyds to insure against any possible assessment liability.

"Planned Progress" Streamlined

Boston and Old Colony have gotten out a colorful new edition of the booklet "Planned Progress." It is a more open style of type page and a more colorful contrast in cover, etc., than the former edition. Everything is new except the name. It explains in detail the methods of agents cooperation employed by those companies. It was designed by Ray C. Dreher, advertising and sales promotion manager, who is president of the Insurance Advertising Conference.

Friends of J. B. White, vice-president Rhode Island, are offering condolences because of the death of his mother, Mrs. White, who was in her 80s, fell recently and fractured her hip. She failed to respond to hospital treatment. Despite her advanced age, Mrs. White was very active up to the time of her injury.

Move to Get Earlier Filing of Schedule T

NEW YORK—Stock and mutual fire companies, reciprocals and casualty carriers will be required to file schedule T March 15 instead of April 1, according to a recommendation adopted by the committee on blanks of the National Association of Insurance Commissioners at its meeting here. The plan is to advance the date again next year so that in the following year schedule T will be filed along with the rest of the statement, March 1.

The companies are against any advancing of the schedule T filing date, contending that even the necessity of filing by April 1 results in much extra rush work. However, the departments feel that they need the schedule earlier in order to expedite the auditing of taxes.

The exhibit of premiums written in the different states has been simplified by eliminating the requirement that reinsurance must be separated into authorized and unauthorized reinsurance. This will simplify clerical work considerably.

W. A. Alexander & Co. Holds Annual Sales Meet

Self-management was the theme of the annual sales meeting of W. A. Alexander & Co., Chicago, which this year is celebrating its 54th birthday. Each agent was given a detailed "statistical analysis for personal control in development of business" to determine his goal and budget his income for the remainder of the year.

Headlining the program at the day meeting were J. H. Sherman and J. P. Murphy, vice-presidents; L. O. Holmberg, J. Sterling Getchell Advertising Agency, and John Fetzer, secretary.

"Case histories" were presented by various members of the sales department. Presiding at the day's ceremonies was Mr. Murphy. In the evening a banquet was held for the agents and employees with addresses being made by Wade Fetzer, Sr., and Wade Fetzer, Jr.

Wives of agents and employees were present at both the day and evening sessions.

M. E. Peterson President of Mill & Elevator Group

M. E. Peterson, secretary of Springfield F. & M., was elected president of the Mill & Elevator Conference at the annual meeting in Chicago Tuesday which drew practically a full attendance. H. W. Donnan, Hartford Fire, is vice-president, C. M. Heinze, Commercial Union, secretary, and E. H. Born, Western Underwriters Association, treasurer.

Owen Murray in New York

DALLAS—Owen Murray, investment banker and local agent of this city who is president of the Paramount Fire, states that promotion work is going on as rapidly as possible and he claimed that the stock will be entirely paid for in the near future. He will leave this week for New York City and while there he hopes to have a meeting to further the organization plans.

R. M. Brown with L. & L.

London & Lancashire has appointed Robert M. Brown special agent with headquarters at 24 Commerce street, Baltimore. He will travel western Maryland including Baltimore and the District of Columbia. He recently resigned as special agent of National Liberty in Baltimore. He is well known in the field.

T. J. Byrne, Sr., Byrne, Byrne & Hahn, Chicago, who has been ill since last December, is now on the job following his return from Arizona. This was welcome news to Mr. Byrne's many friends in Chicago and elsewhere.

Dog—The Friend of Man



THE STEADFAST POINT

One of Albert Payson Terhune's stories concerns "Shot," a favorite dog of his father's. At one time Shot accompanied his master quail hunting in a sloping meadow. The meadow was cut midway by a railroad track. As he came near the track, the dog came to a dead point. He was facing a clump of oak bushes on the far side of the rails.

The dog waited signal to move forward toward the clump. Before the signal could be spoken, the train came whizzing around the curve at the foot of the hill. Shot stood rocklike on his point. The train roared past, not ten inches from his nose, but the dog did not stir or falter. Just as the train had passed he flushed out the birds who had been too scared by the passage of the train to break cover until then.

Another Friend of Man
—INSURANCE—
Especially When Placed With

A Friendly Company
SECURITY FIRE INSURANCE COMPANY

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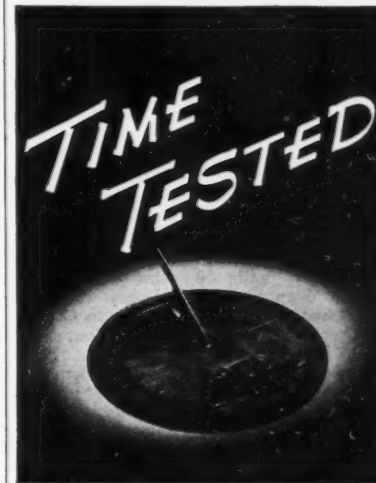
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ADJUSTERS LICENSE BILL

A subcommittee of the Illinois house will meet in the Cook County Board rooms in Chicago at 3 p. m. May 5 to hear opponents of house bill 164, which requires fire insurance adjusters to be licensed by the Illinois insurance department, fixing the qualifications necessary to obtain a license, requiring a \$10 fee. Representative Thon of Oak Park is chairman.

STATE FUND AGITATION

The executive committee of the Illinois house has appointed a subcommittee to investigate the desirability of the state establishing a state fund to insure public schools and other public buildings. Representative Leo Crowley of Peoria is chairman of the committee. His associates are James Boyle and Peter Granata of Chicago, Reed Cutler of Lewiston and William Vickers of Pontiac. There has been some sentiment for a fund of this kind but there is also considerable opposition. It is stated arrangements may be made for a hearing to be held in Springfield and Chicago.

B. D. MEETINGS SCHEDULED

The Cook County Field Club will conduct the third and last of the series of Business Development meetings for agents in Chicago on May 25. With the New York world's fair as the theme, extended coverage on camera equipment and personal effects will be discussed.

As usual the north and west side meetings will be at the New Lawrence and Graemere Hotels, respectively. No place has been selected for the south side meeting, but it will probably be held at the Swedish Club or at the Southmoor Hotel.

While the previous meetings have had good turnouts, it is expected that these last meetings will have the largest attendance of all. Plans are now underway to hold more meetings in the fall and the Field Club is inviting suggestions as to topics.

BOARD VETERANS ORGANIZE

A 25 year club, composed of nine members of the Chicago Board staff with service of that period or more, was organized recently. A. M. Blumenthal, secretary, with 38 years service, was made dean and N. J. Lucas, rating department, is assistant dean with 33 years. Other members are J. J. Gordon, rating, F. G. Waldenfels, engineering, H. T. Hazlett, engineering, J. S. Glidden, manager, J. O. Hardwicke, assistant chief engineer, B. L. Berrick, rating, and E. E. Elm, rating. Mr. Elm is the baby of the organization as the club was organized on the celebration of his 25th anniversary. To assist the veterans in their wheel chairs, R. A. Parker, assistant manager, E. F. Reske, acting chief engineer, W. W. Hamilton, superintendent of auditing, Edwin Connelly, auditor and D. P. Skaer, assistant superintendent of rating, were chosen as "pushers."

NAPIER RETURNS TO WORK

R. A. Napier, head of the Chicago agency of R. A. Napier & Co., who suffered a stroke at Thanksgiving time and then spent three months in Florida, has returned to his office. He has laid aside many of the business burdens but is coming down a few days a week to keep in touch with more important activities.

NORTH RETURNS FROM LONDON

Thomas T. North, head of the Chicago adjusting firm bearing his name, has returned from a nine-day business trip to London. Thomas T. North & Co. is representing London Lloyds for inspection, engineering and claims work in connection with the construction of the Chicago-PWA subway. London Lloyds is writing the property damage insurance that is required of all contractors. Lloyds is the only insurer that

was willing to write that particular end of the business. There are now four sections of the Chicago subway actually under construction and there have been no untoward incidents of interest to the property damage insurers. Mr. North has made six trips to England in recent years.

RIDDEL N. F. P. A. SPEAKER

J. H. Riddel, manager for Canada of the Eagle Star and president of the Dominion Board, will discuss fire prevention progress in Canada at the annual meeting of the National Fire Protection Association in Chicago May 8.

L. J. FISCHER IS INTRODUCED

General Manager E. R. Hurd of the Home of New York group in Chicago arranged a luncheon last Monday for class 1 agents of all its companies and some of the key men in his office at which L. J. Fischer, formerly Indiana state agent, was introduced as assistant manager in Chicago. Vice-president Ivan Escott was present to represent the head office, making the trip especially for the event. He spoke of Mr. Fischer's background, experience and ability. Mr. Fischer responded in a few words. Secretary F. H. Cornell of the Home farm department was present.

LARGE BLUE GOOSE INTEREST

A large attendance is expected at the initiation dinner of the Illinois Blue Goose in Chicago Monday evening. A special effort has been made to get new members and the indications are that a class of about 30 will be initiated. The drill team has been holding rehearsals and a good many are planning to turn out in tribute to James E. Guy, who will be presiding at his first function as most loyal gander of the Blue Goose.

AGENCY PROVIDES OBJECT LESSON

The Summer Insurance Agency at 2145 East 83rd street, Chicago, provided the neighborhood an object lesson in the value of that portion of the extended coverage endorsement which provides coverage against damage done by automobiles crashing into the premises. An automobile climbed the curbing in front of the Summer agency's office and crashed through the plate glass window.

REALTORS FORM INSURANCE UNIT

The directors of the Chicago Real Estate Board at their monthly meeting Wednesday evening were scheduled to take action on a proposal to set up an insurance division of the board, the chairman of which would be a full vice-president of the Real Estate Board. Leaders in the Real Estate Board got intensely interested in the insurance field recently in view of the program that was offered by a special committee of the Chicago Board of Underwriters to change the commission scale and rules in Chicago and Cook county. A special committee of the Real Estate Board swung into action in opposition to the program because it provided that non-policy writing, class 2 or suburban real estate agents, were to receive 20 percent commission on preferred business instead of 25 percent.

WAITING ON THE DEPARTMENT

Chicago agents and brokers are evidently waiting for the Illinois insurance department to take the next step in its determination to reduce the acquisition cost conference in Cook county. So far the Chicago Board members have not been able to agree on a plan that would meet the approval of the department. The report of the committee of 10, which is composed of western managers and local agents did not make the grade, although it was supposed to have the sanction of the department. The Chicago Insurance Agents Association presented another set of recommendations.

It now seems that neither is acceptable to the department.

As time goes on there seems to be a growing sentiment to endeavor to get the department to ratify the present board rules and then put enough teeth into the enforcement machinery to see that they are lived up to. It is generally agreed that if the present rules were regarded there would be a very definite decrease in acquisition cost. It is general knowledge, of course, that there are egregious violations. The enforcing machinery has been unable to function on the more important violations. The department may hesitate to give its approval to the present rules as a whole. If some changes can be made then Director Palmer may lend a more willing ear. Just how much longer the insurance department is willing to give the Chicago Board remains to be seen. Inasmuch as the Chicago Board is now the recognized and official rating body for Cook county it is felt that the department can insist that its rules be observed. In fact, some go so far as to say that if the department does approve the rules and makes them official, it will then have the power to suspend or cancel licenses of agencies or brokers that do not live up to their obligations.

Evidently the casualty acquisition conferences are also relying on Director Palmer to use the big stick in order to bring about an agreement to reduce acquisition cost in surety and casualty lines. So far the companies have not been able to agree on a plan although they seem headed toward that end now but they need the moral support of the department.

W. U. A. COMMITTEES NAMED

President S. M. Buck of the Western Underwriters Association did not make many changes in the personnel of committees on entering his second term in office. The most important committee is the governing committee as it has great power during the interim between meetings. It is not customary for the president on his second year to make changes in that committee unless there is some real reason. This year the committee has before it a number of perplexing problems that hung over from the previous year and, furthermore, it was empowered to take action along very important lines so that it seemed best not to make any change there. The only chairmanship change is on the Chicago committee where W. P. Robertson, North America, becomes chairman succeeding A. F. Powrie, Fire Association. Mr. Powrie remains on the committee, however, as does C. H. Smith, Hartford Fire. The other committees are as follows:

Governing—J. C. Harding, Springfield, chairman; W. N. Achenbach, Aetna Fire, vice-chairman; Wilfred Kurth, Home; W. K. Maxwell, Hanover Fire; W. P. Robertson, North America; F. M. Gund, Crum & Forster; E. W. Hotchkiss, Royal-L & L & G.; J. C. McKown, St. Paul F. & M.; Robe Bird, American. The ex-officio members are S. M. Buck, Great American; C. H. Smith, Hartford Fire; R. D. Safford, Travelers Fire; E. A. Henne, America Fore, who is chairman of the subscribers actuarial committee.

Arbitration—E. A. Henne, chairman; R. S. Buddy, Glens Falls; W. M. Frink, Norwich Union; D. E. Monroe, Commercial Union; W. H. Riker, North America; A. & J. H. Stoddart, New York Underwriters; F. W. Doremus, American.

Grievance—C. W. Ohlsen, Sun, chairman; W. N. Achenbach, S. H. Quackenbush, Crum & Forster; C. E. Wheeler, Hartford Fire; H. A. Yates, National Union.

Finance—W. P. Robertson, chairman; E. G. Frazier, Springfield F. & M.; J. R. Cashel, Providence Washington; W. K. Maxwell and C. W. Ohlsen.

Cook County Loss Adjustments—A. F. Powrie, chairman; E. A. Henne, E. D. Lawson, Fireman's Fund.

Cooperation in Loss Adjustment Practices—W. K. Maxwell, chairman; J. R. Cashel, H. W. LaRue, America Fore; John L. Mylod, North British, and S. P. Rodgers, State, Pa.

Inland Marine—George C. Long, Jr., Phoenix, Conn., chairman; W. Ross Mc-

New Office Opened by American of Newark

John P. Hoffmann opened the new brokerage and service department of the American of Newark group this week at A-1140 Insurance Exchange building, Chicago. He has been chief underwriter at the western department at Rockford, Ill., going with the company seven years ago. For a number of years Mr. Hoffmann was in the western department of the Royal.



J. P. Hoffmann

Last Friday night the employees of the western department of the American in Rockford gave Mr. Hoffmann a farewell dinner presided over by Assistant Manager Fred D. Hess. Associate Manager F. W. Doremus spoke at length on the purpose of the new brokerage and service office, the machinery and its hopes. William Soderstrom, office manager, presented Mr. Hoffmann on behalf of his associates with a desk set. The formal opening of the new quarters occurred Monday when Mr. Doremus, Mr. Hess and J. W. Andrews, superintendent of the office at Rockford, acted as joint hosts to Mr. Hoffmann. The plan is to extend the service of the office from time to time to make it more valuable to agents.

Cain, Aetna Fire; R. R. Martin, Atlas; E. D. Lawson and Paul B. Sommers, American.

Public Relations—John C. Harding, chairman; George C. Long, Jr., A. F. Powrie, W. P. Robertson and John Rygel, Hanover.

Maps—E. M. Schoen, chairman; Hart Darlington, Norwich Union; J. W. Gregory, Crum & Forster; J. H. Macfarlane, America Fore, and Clem E. Wheeler.

Uniform Forms—W. N. Achenbach, chairman; R. S. Buddy; G. G. Classen, Great American; E. G. Frazier; Leonard Peterson, Home; E. M. Schoen; Clem E. Wheeler.

Uniform Printing & Supply Company—C. H. Smith, chairman; E. G. Frazier, Wilfred Kurth, C. W. Ohlsen and W. N. Achenbach.

Central Traction & Lighting Bureau—J. C. Harding, chairman; H. T. Cartledge, Royal-L & L & G.; O. E. Lane, Fire Association; F. D. Layton, National Fire; A. R. Phillips, Great American.

Fire Protection Engineers—John C. Harding, chairman; G. H. Bell, National; H. T. Cartledge, Clem E. Wheeler, F. W. Koeckert, Commercial Union.

Arrangements—A. F. Powrie, chairman; G. H. Bell, J. C. Harding, J. R. Cashel and J. H. Macfarlane.

H. S. HENDRICKS WITH HOME

Howard S. Hendricks has joined the brokerage and service department of Home of New York in Chicago, as special agent. He has been connected with the Tennessee Inspection Bureau since graduating from Armour Institute of Technology, Chicago, in 1932.

BIG DRIVE FOR LIFE BROKERAGE

Brokers and agents doing chiefly a fire and casualty business in Chicago say that during the last 90 days they never have been pressed so hard by life companies for business. Many offices are soliciting brokerage and are making an intensive canvass of all insurance salesmen writing fire and casualty lines. Special brokerage supervisors are put on the job and they are beating the brush.

INSURANCE ACCOUNTANTS COMBINE

The office of S. Alexander Bell, certified public accountant specializing in insurance work, and that of Baumann, Finney & Co., also certified public accountants, have been consolidated, they

now being located at 208 South La Salle street, Chicago. During the past six months, S. Alexander Bell & Co., has had a working arrangement with Baumann, Finney & Co., with reference to tabulating service. The relationship proved pleasant and the consolidation was decided upon. Messrs. Baumann & Finney have been for a number of years connected with the school of commerce of Northwestern University and Mr. Bell was formerly associated with them. The facilities of the consolidated organization are such that even more prompt service can be rendered.

INTERESTED IN THE CONTEST

Much interest has been taken by insurance men in the contest for Republican national committeemen from Illinois. C. R. Walgreen, head of the well known drug store chain, ran ahead of the other candidates but on the eighth and ninth ballots Philip W. Collins, class 1 member of the Chicago Board forged ahead. T. J. Houston, Chicago insurance adjuster and former insurance superintendent, was also a formidable candidate. R. Y. Rowe, vice-president and secretary of the American Bankers Life of Jacksonville, Ill., presented the name of Dwight H. Green for the place, the latter having been recent Republican candidate for mayor of Chicago. Inasmuch as there was not a sufficient majority another postponement was made to June 10. Mr. Collins is prominent in the American Legion and is former Illinois state commerce commissioner.

LAWSON CHOSEN DIRECTOR

E. D. Lawson, western manager of the Fireman's Fund group, has been elected a director of the Western Adjustment.

"Discomputer" Infringer Held

MILWAUKEE—Charged in a federal indictment with infringing a copyright on a device used by insurance companies and agents to compute premiums, Harold Van Buskirk of Hammond, Ind., was arrested there and brought to Milwaukee for trial in Federal court. According to the U. S. district attorney's office here, Buskirk is accused of infringing the patent on the "discomputer," held by a firm in Grand Rapids, Mich., and selling them in the Milwaukee area. Unable to post bond, Buskirk is being held in jail here pending trial.

Hear 8,000 M. L. U. Claims

KANSAS CITY—Commissioners of Judge Southern's circuit court are hearing the 8,000 claims against Manufacturing Lumbermen's Underwriters for return premiums and surplus. Many of these claims are being made in groups up to several hundred. Loss claims against the defunct reciprocal are expected to be all paid by June 1, including those against which exceptions were filed. The Missouri department is handling liquidation.

NEWS OF FIELD MEN

Program for Kansas Security Announces Field Groups Given Important Changes

WICHITA, KAN. — May 9-11 will be "Insurance Week" in Wichita, with the annual meetings of the Kansas Blue Goose, Kansas Fire Underwriters Association and Kansas Fire Prevention Association May 9-10, followed by a Business Development meeting for Zone 6 May 11 with Wallace Rodgers, assistant manager Western Underwriters Association, as principal speaker. R. E. Vernor, Western Actuarial Bureau, Chicago, and Clyde G. Latchem, recently appointed Kansas state fire marshal, are expected to address the Fire Prevention Association. Mr. Rodgers will also address the Wichita Rotary Club May 8 and Wichita Credit Men's Association May 9.

The Blue Goose program, with the Sunflower (Wichita) puddle as host, in celebration of its fifth anniversary, starts with the annual meeting the afternoon of May 9, a "honking hour" at 6 p. m. and the banquet at 7:15, all at the Allis Hotel. The golf tournament will be held at the Wichita Country Club the afternoon of May 10, with an "alibi hour" at 6 p. m., in the locker room and dinner at 7:15, when the championship trophy will be awarded for 1938 and 1939. No award was made last year, as a cloudburst stopped the contest before anyone had completed the required 18 holes, and the winner this year is to be recognized as champion for both years.

Bellmer Is Named by National Fire

W. L. Bellmer, West Virginia state agent of the National Fire of Hartford group, becomes assistant general agent in the country-wide binding and service office in New York City where E. R. Hindley is general agent. Mr. Bellmer started with the old New York Suburban Fire Insurance Exchange. He became stamping secretary for the West Virginia Fire Underwriters Association and joined the National as special agent in December, 1925, and was appointed state agent in 1931.

Burford to Employers Fire

T. M. Burford of Wichita, for several years special agent of the National of Hartford in southeastern Kansas, has been appointed Kansas state agent of the Employers Fire.

Coast Ponds in Fresno Outing

The San Francisco and California (Los Angeles) Blue Goose will join in the two-day ceremonial and outing staged by Fresno puddle May 5-6.

J. M. Shappell, special agent in New Jersey for the Security of New Haven and East & West, is being transferred to the home office to specialize in special hazard and side line production. He is a graduate of Syracuse University and before joining the Security was an inspector for the Eastern Underwriters Inspection Bureau and later was special agent for the Home. He is being succeeded by P. M. C. Hauser, who entered the insurance business in 1926 with the North America, later becoming special agent in northern New Jersey territory. He is a graduate of the University of Pennsylvania.

H. C. Beach, special agent for the Security in eastern New York State, is being transferred to the home office to an important underwriting post in connection with New York State. He has been with the Security since 1919. He is succeeded by W. C. O'Brien, who has had many years home office and field experience in the New York territory. Mr. O'Brien will make his headquarters in Albany.

George C. Meyer Joins Caledonian in Ill.-Mo. Field

George C. Meyer, who until recently was special agent in the Illinois field for Great American, has joined the Caledonian group as state agent for Missouri and Illinois, excluding Cook county. He is located at 2005 Insurance Exchange, Chicago. Mr. Meyer is well known in the Illinois territory. He was identified with Great American for several years and before that was with Automobile of Hartford in Illinois.

H. T. Dahl, Jr., who was state agent for Caledonian, resigned several months ago.

F. G. Lisle Succeeds Spencer, Michigan Veteran

The North British group announces these field changes in its central department:

After more than 27 years of loyal service State Agent N. L. Spencer will retire from active duty as of June 30. Suitable recognition has been made for his long and valuable service.

F. G. Lisle has been appointed state agent to take over Mr. Spencer's duties. He will make his headquarters in the Hollister building, Lansing, Mich.

Mr. Spencer is well known in Michigan and through the years has gained the respect and admiration of agents and company men.

Mr. Lisle is equipped to be of valuable assistance to agents, for he goes to Michigan with more than 10 years field

experience with the group in other states.

To succeed Mr. Lisle, the appointment is announced of Chester T. Field as special agent, assisting State Agent H. H. Gamber in western Ohio, with headquarters at 33 North High street, Columbus, O. Mr. Field has had many years experience in the New York home office and in the Ohio field.

Talley Southern General Agent of Rhode Island

The Rhode Island group announces the appointment of T. T. Talley as general agent for the southern department. Mr. Talley has been associated with the group since 1931 as state agent for Florida and his successor will be announced in the near future.

Mountain Field Club Meets

DENVER—J. M. Harris talked on "Fire Prevention on Treasure Island" at the monthly meeting of the Mountain Field Club. R. M. Hill, Fire Companies Adjustment Bureau, discussed possible adjustments for loss of use of a car under the new theft policy endorsement. Announcement was made that a Blue Goose party will be held following the next meeting of the Field Club June 5. The itinerary of members of the agency advisory committee and their speakers on an educational tour beginning May 3 was given. A series of meetings on the western slope will be held the week of June 22. H. A. Ammonette, who was injured in an automobile accident several weeks ago, is making satisfactory progress and will be back on the job before long, the club was told.

P. M. Bell with America Fore

The America Fore has appointed P. M. Bell special agent for Vermont for all of its companies. He was born in Burlington, Vt. where he now resides. He goes from the New England Fire Insurance Rating Association of which he was assistant manager.

Educated at the University of Vermont, he started his business career with the National City Bank of New York, with which he spent a year and a half in foreign service at San Juan, P. R. In 1921 he became stamp clerk for the New England Insurance Exchange in charge of the Burlington office. He held that position until four years ago when he became assistant manager of the rating association, his duties covering inspection work and office management for the whole of Vermont.

Issues Pre-Grand Nest Edition

A pre-Blue Goose grand nest convention issue of "Pin Feathers," official publication of the Ohio pond, has been issued by Editor A. S. Snow of the Camden, Columbus. The grand nest meeting will be held at Cincinnati Aug. 29-31. "Pin Feathers" lists the charter members of the Ohio pond, Feb. 5, 1907; grand nest committee chairmen with

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pictures of A. C. Guy, Western Adjustment, Columbus, general chairman, and Bernard F. Flood, Royal-Liverpool groups, Columbus, executive secretary; the 11 life members of the Ohio pond; the past most loyal ganders in Ohio since 1907, and other matters of interest to ganders.

New Hampshire Names Dunker Iowa State Agent

Harry W. Dunker has been appointed Iowa state agent for New Hampshire Fire, succeeding J. R. Oakes, who has been taken into the head office. Mr. Oakes will continue with Mr. Dunker for a week or two in the field and then will return to the head office where he will be permanently located. Mr. Dunker graduated from the University of Nebraska and has represented National American of Omaha as state agent for several years.

Mr. Dunker has been Iowa state agent for National American Fire for the past 11 years. Previously he was in the home office of that company. The Iowa state agency of the New Hampshire is being moved to Cedar Rapids from Des Moines.

Guy Before Ohio Underwriters

Allen C. Guy, manager Columbus, O., office Western Adjustment, addressed the Ohio Fire Underwriters Association monthly meeting there this week on "The Profession of Fire Insurance." A committee was appointed to investigate the exact meaning of the term "foundations" in relation to insurance contracts. An honorary membership was voted Alvin E. Bulau, Home of New York, for many years an active association member who has been made state agent of the Home in Indiana. The annual meeting will be held in Columbus June 6, and the annual meeting of the Ohio Fire Prevention Association there June 5.

Baker and Barnett in Shift

Russell Baker, special agent in the Wentz & Erlin general agency, Los Angeles, has been appointed special agent by the Firemen's of Newark group, and will cover metropolitan Los Angeles territory. He succeeds P. V. Barnett, who was transferred to New York as special agent.

Vance's Candidacy Announced

C. M. Vance of Bloomington, Ill., state agent Royal-L. & L. & G. in central Illinois, is the most formidable candidate so far for vice-president of the Illinois Fire Underwriters Association at its annual meeting June 22-23 at Golfmore Hotel, Grand Beach, Mich. So far no other candidates have put in an appearance. R. H. Gregg of Peoria, special agent Crum & Forster in central and western Illinois, is the president, and Henry O'Loughlin of Chicago, state agent Phoenix of Connecticut, is vice-president. Mr. Gregg will preside.

Frank Davidson, special agent United States Fire, Edwardsville, Ill., is reported to be a candidate for executive committeeman.

Dye Heads Ohio Blue Goose

The Ohio Blue Goose at its annual meeting in Columbus Monday night advanced T. O. Dye, Connecticut Fire, to most loyal gander; Paul F. Brown, Hanover, supervisor; Fred C. Wolf, New York Underwriters, custodian; W. W. Waters, Ohio Farmers, guardian; A. S. Snow, Camden, keeper.

B. F. Flood, Royal, was reelected welder and H. F. Albershardt, Western Adjustment, was named assistant welder.

Grand nest delegates are R. T. Hugard, Great American, a charter member of the Ohio pond, Columbus, and R. W. Hukill, Great American, most loyal grand gander, Cincinnati. Alternates, B. T. Duffey, Royal-Liverpool, Cleveland,

and J. C. Hiestand, secretary Ohio Farmers, Leroy.

R. W. Wetzel, Northern of New York, transferred from the San Francisco pond to the Ohio pond, as did A. J. Danziger, Crum & Forster, and W. R. Ross, Home, from the Iowa pond. Fourteen candidates were initiated.

Mitchell with State

W. J. Mitchell has been appointed state agent of the State of Pennsylvania in Minnesota to cooperate with the present field man, W. U. Knight. He has been special agent of the North America in that state for a number of years. Mr. Knight hereafter will confine his attention to Minneapolis and St. Paul. Both will have offices in the Plymouth building, Minneapolis.

Seattle Annual Meet June 23

The annual meeting of the Seattle Blue Goose will be held June 23. The British Columbia pond will send its golf team for the final leg of the home and home series. The winner retains the A. Z. DeLong memorial trophy.

Carr Leads in Appointments

Frank D. Carr, Iowa state agent for Springfield Fire & Marine, Des Moines, has been awarded the company's first prize in the agency appointment campaign for 1938. He also won fifth place in the business production campaign. He has been with the company more than 28 years. Mr. Carr obtained 52 new agents for the company in 1938. There were 88 field men in the competition.

Testimonial to J. C. Stuart

Arrangements have been completed for a testimonial banquet for J. C. Stuart in Des Moines May 12, honoring his 25 years of continuous service in the Iowa field with Aetna Fire. W. H. Harrison, National, is general chairman. C. W. Borrett, Hanover, will be toastmaster at the dinner.

See Junior Chamber Movie

The Iowa Blue Goose listened to a program sponsored by the Des Moines Junior Chamber of Commerce. An educational talk on street lighting safety was presented. H. W. Dunker, new state agent of the New Hampshire, was introduced.

About 90 attended the spring party of the Iowa pond in Des Moines Saturday night. Fred Meister, Travelers Fire, was general chairman. Mrs. H. H. Warner, whose husband is special agent with the L. E. Ellis Des Moines general agency, was in charge of bridge.

Markell with the Home

E. H. Markell, recently appointed a special agent in Ohio for the Home fleet, working under the direction of State Agent H. H. Chittenden of Columbus, is a graduate of the Ohio State University. For 12 years prior to assuming his present connection he was associated with the Ohio Inspection Bureau.

America Fore's Ohio Meeting

The America Fore group held a conference of Ohio representatives in Columbus, O., this week. Speakers included James Guy, superintendent automobile department, and C. J. Lingfelder, assistant secretary, Chicago.

Richard Dunker Succeeds Brother

Richard Dunker has been appointed Iowa state agent for National American Fire, succeeding his brother, Harry W. Dunker, who has gone with New Hampshire Fire in the Iowa field. Richard Dunker has been in the local agency business in Lincoln, Neb. His headquarters will be in Cedar Rapids.

Sunflower Blue Goose Meets

C. W. Hepler and W. A. Corrigan of the T. W. Garret General Agency

of Kansas City were guests of the Sunflower (Wichita) puddle of Blue Goose this week. Plans for the Kansas pond splash May 9-10 were announced by Most Loyal Gander W. F. Ehret. G. E. Freese, big toad, presided. A B. D. program will be held May 11 at Wichita.

NEWS BRIEFS

The annual golf tournament and banquet of the Sacramento puddle of the San Francisco Blue Goose has been set for May 19 at Del Paso Country Club. The Sacramento Insurance Exchange has been invited to join in the festivities and a large delegation from San Francisco and Stockton is expected.

The Iowa service office of the Commercial Union group has moved from the Insurance Exchange building to the Fleming building, Des Moines.

The annual meeting of the Illinois Field Club, the organization of field men of Western Insurance Bureau companies, will be held in Rockford the day preceding the annual Rockford field day. That decision was reached at the quarterly meeting of the Illinois Field Club in Springfield.

W. N. Haines, state agent of Northwestern Fire & Marine and Twin City in Illinois, has resigned.

The Wisconsin Women of the Blue Goose have elected Mrs. J. E. Snyder president; Mrs. J. A. Fleckenstine, vice-president; Mrs. H. C. Busack, treasurer, and Mrs. Nelson Lane, secretary. Mrs. Frank Risley is retiring president.

Aaron W. Jones, well known Ohio field man, who retired several years ago, is quite ill at his home in Columbus.

Milton F. Johnson, state agent of Rhode Island, spoke to the Ohio Stock Fire Insurance Speakers Association in Columbus on "Safeguarding America." He told of the operations of the National Board and Underwriters Laboratories.

The Royal Exchange, Provident Fire and Car & General have moved their Milwaukee offices to 238 West Wisconsin avenue.

COMPANIES

Officials of Pacific National Receive Promotion

R. J. Mayle, for 10 years secretary-treasurer of the Pacific National Fire of San Francisco, has been elected vice-president. W. A. White, general coun-



R. J. MAYLE

sel, becomes a vice-president and L. T. Waldron, assistant secretary, becomes secretary-treasurer. R. S. Smiley, engineering department manager, is made assistant secretary. D. S. Parry of the agency department becomes assistant secretary and W. R. Hay, assistant treasurer.

Security Official Changes

John J. Hubbell, Michigan state agent Security of New Haven for 14 years, has taken his position at the head office as general agent in charge of middle western territory. Following his elec-

Much Interest in W.U.A. Investigation of Affiliated Lines

Keen interest is taken by members of the Western Underwriters Association in the investigation that will be made as to whether it shall assume jurisdiction over collateral lines and if so just how far it can go, in view of the fact that all these have separate organizations with entirely different machinery and in many cases they are nationwide in their scope. At least it is thought that the W.U.A. can establish a rule that will forbid any of its members placing an agency for automobile, inland marine or other sideline in an outside agency. This representation in outside agencies has caused considerable embarrassment where agency clearance is being aggressively pressed. The clear agencies naturally point to the fact that W.U.A. companies insisting on clearance are found for these collateral lines in outside agencies. This brings them into competition with their own agents on fire lines.

In some cases it is claimed that W.U.A. companies have sweetened commissions on collateral lines in order to get greater leverage on fire lines. Under the rules an automobile specialty company that does not write any other business or a marine company that does not write any other than marine can be represented in a clear agency. It has been found, especially in automobile, that this has caused a considerable shifting of the business to the specialty company that pays a higher commission and has rate inducements. Perhaps as the committee explores the situation it will be found that some general understanding can be reached. Naturally the W.U.A. can take no jurisdiction over casualty companies. It is found very often that a casualty company will be used to pry loose desirable lines written by its affiliated fire company. Altogether the committee will have a very important subject before it.

Pendergast and O'Malley Enter Pleas of Not Guilty

KANSAS CITY — T. J. Pendergast, Kansas City political boss, and R. E. O'Malley, former Missouri insurance superintendent, pleaded innocent of a federal charge of conspiracy to evade the income tax, and their trial was set for June 12 before Judge Otis. They appeared before Judge Otis Monday along with Charles V. Carollo and others.

Pendergast last week was named in a new indictment which charged him with evading income taxes not only on the \$315,000 he is alleged to have received in connection with the Missouri fire rate case settlement, but with evading taxes on additional sums from other sources. O'Malley's charge remained the same, for evading income tax on \$62,500 received in connection with the settlement, in 1935 and 1936.

O'Malley has taken a "leave of absence" from his job as director of the city water department.

W. W. Head, president of General American Life, who was subpoenaed two weeks ago, has been excused by the federal grand jury each time he has appeared. The grand jury is recessing this week.

tion as assistant secretary of the Security and East & West, S. D. Henry, general agent in Connecticut since 1930, is placed in charge of production and will give his entire time to development work.

Cupit Vice-president of Central

James H. Cupit has been elected vice-president of the Central of Baltimore. He has been for 17 years assistant secretary. A banquet in his honor was given by the junior directors.

CASUALTY NEWS

J. G. Bill Takes Post with Albert Willcox & Co.

NEW YORK—J. G. Bill will assume an executive post with Albert Willcox & Co., Inc., of this city, resigning as general attorney for Continental Casualty.

Mr. Bill was formerly associated with Albert Conway in the practice of law in New York. When Judge Conway was appointed New York insurance superintendent, Mr. Bill became secretary in the department's New York City office. He later served as attorney for the New York liquidation bureau and then as third deputy in charge of the New York City office. He joined Continental Casualty in Chicago in 1935.

Iowa Farm Mutual Plan

DES MOINES, IA.—The Iowa Farm Mutual, which was organized by the Iowa Farm Bureau Federation, will begin operations May 10, according to an announcement by President Francis Johnson.

Two More Fund Men Seized

NEW YORK—Two former auditors of the New York state compensation fund have been arrested, charged with accepting unlawful fees and bribes in connection with payroll examinations.

Retail Credit Elections

Lewis R. Sams, manager of the northwestern division, has been elected a director of the Retail Credit Company to fill the unexpired term of the late George A. Bland. Succeeding Mr. Bland as treasurer for the unexpired term is L. S. Brooke, secretary.

Indianapolis Gets Jensen Cup

Engineers in the Indianapolis office of Maryland Casualty were awarded the accident reduction cup for 1938 by Holger Jensen, manager of the engineering and rating division. The winning average was 103.21 points.

Levey New Virginia President

RICHMOND, VA.—Harry N. Levey, manager National Surety, was elected president of the Casualty & Surety Underwriters Association of Virginia at the annual meeting here. He was vice-

president last year and succeeds C. R. Riley, manager Richmond branch Glens Falls Indemnity. W. H. Osborn, manager Aetna Casualty branch, Richmond, was reelected secretary-treasurer, and C. V. Cofer, special agent United States Fidelity & Guaranty, was elected vice-president.

Cities May Buy Liability

COLUMBUS — Attorney-general Herbert has advised the bureau of inspection and supervision of public offices that a municipal corporation may purchase liability insurance to cover such motor vehicles as police cruisers, fire trucks, etc.

Henning with Zurich in Phila.

The Zurich has employed J. C. H. Henning, as an inspector working out of the Philadelphia office. Mr. Henning was formerly with American Mutual Liability as safety engineer.

Farewell Luncheon for Browning

About 30 agents of Car & General and Royal Exchange in Chicago attended the luncheon for A. J. Browning, upon his departure for New York to become ac-

countant at the head office. He has been the Chicago manager. Ray T. Nelson, Illinois department deputy, was toastmaster. C. M. Smith, assistant U. S. manager, was present. Mr. Browning was presented with a desk set in behalf of the Chicago office. The arrangements were made by Rush B. McClure, branch manager of Royal Exchange, and Freeman Read, new Chicago branch manager of Car & General.

Net Gain to Earned Premiums 9.1%

NEW YORK—According to the exhibit made public at the annual meeting of the National Bureau of Casualty & Surety Underwriters today, the 66 stock companies operating in New York reported a country wide underwriting gain on all lines combined last year. The ratio of net gain to earned premiums was 9.1 or \$54,595,309.

The lines reporting gains are compensation, fidelity, surety, plate glass, burglary, machinery, automobile property damage and automobile collision, property damage and collision (not auto), credit and sprinkler. Underwriting losses were suffered in the health, boiler and miscellaneous lines.

The exhibit does not fully reflect rate reductions made in 1938, approximately a year being required before such changes affect underwriting results.

Expense ratios increased over those for the preceding year, due to lower premium volume and increased taxes, which latter reached the highest figures of record, amounting to \$27,168,992, an increase of \$2,309,007 compared with 1937.

The 66 companies upon their country-wide business last year earned net premiums of \$602,542,318, with incurred losses and claim expenses of \$296,758.16.

New Va. Truck Rates

Revised P. L. and P. D. rates for local and long haul truckmen have been approved by the Virginia corporation commission and will become effective June 1.

Companies which have heretofore obtained approval to deviate from existing rates on a percentage basis will be permitted to deviate from the rates approved upon the same percentage until the further order of the commission.

Close Big Group with Ford Co.

Nonoccupational group A. & H. and life insurance on more than 100,000 employees of the Ford Motor Company in this country is involved in a great group case closed by the Travelers at Detroit. Life insurance totaling \$150,000,000 and accident and health benefits of \$15 weekly for three months are to be provided starting June 1.

C. Henry Olson, superintendent of the physicians and surgeons malpractice liability department of Aetna Casualty, has observed his twenty-fifth anniversary with the organization. He first served as underwriter in the malpractice department and later as superintendent.

Release Complete Program for Illinois Rally

(CONTINUED FROM PAGE 5)

C. H. Barth of the engineers corps on "The Cost of Preparedness," and President Jennings will give the closing remarks.

A full day of entertainment for the visiting ladies has been arranged by a committee of Rock Island women headed by Mrs. Charles J. Montgomery. There will be a tour of Rock Island, Moline and Davenport and the Blackhawk state park in the morning and a luncheon bridge in the afternoon.

D. V. Moody of Elgin, state treasurer, will be in charge of registrations. C. J. Montgomery of Rock Island is in charge of local arrangements.

The National Automobile of Los Angeles has been licensed in Oregon. Edward Brown & Sons are general agents.

INSURANCE SERVICES & EQUIPMENT

[DIRECTORY]

An Executive's Index to Responsible Firms

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EDITORIAL COMMENT

Creating Constructive Individualities

ONE of the grave responsibilities resting on company managements is the development of adequate and capable man-power. There is a continuous need for younger men who have had the training, education and experience to enable them to fill with satisfaction positions of high responsibility. The only way to create men who are fitted for these prominent places is to make a careful selection of timber in the first place, see that those that give every promise of meeting the requirements are well trained and furthermore that responsibilities are placed upon them so that they can gradually develop the facility of deciding questions satisfactorily. After all, men in the more important posts who are able to maintain themselves with credit must possess the power of reaching sound judgment and sensible conclusions.

Men of robust nature, whose faculties are dimmed by domination and fear soon weaken. The one man office will never develop an organization.

It seems to us that we are getting too far away from the creation of individuality and responsibility in men down the line. This is caused to a large extent by the tendency toward centralization. We see it all along the line. The central supervising office wants to decide almost all questions and thus salaried men in key positions become little else than clerks, just men to carry out

orders. This has had the effect of weakening service to agents. Too many problems and questions at issue have to be referred to headquarters.

There is little opportunity for the display of originality and individual resourcefulness. We not only see highly developed central control promoted in companies themselves but the state insurance departments are becoming more dominant and companies are more than ever willing to rely on insurance commissioners to solve their problems or at least to go a long way in assisting to solve them. The business is leaning more and more on state commissioners on the ground that those in it are unable to reach a solution or agreement themselves. Thus they become dependent on the state.

Then again the different associations and committees are becoming more and more important and are adopting rules and regulations, dominating the field somewhat and tying the business up in a rather hard knot. Altogether this does not tend to promote originality, elasticity, individuality and resourcefulness.

Is it not the tendency to standardize insurance practices too much and is not the business itself becoming canned? We need to consider manpower, its development and the various influences that weaken or strengthen it because the future depends on the kind of men who will be in control of insurance.

The Masters Will Survive

It is apparent that in the local agency field, eventually there will be a survival of the fittest. This does not mean that the large agencies will crush out the smaller and weaker ones by force of main strength or ruthless tactics. With constant reduction in rates, both in the fire and casualty field, and with industrial and commercial combinations that draw more and more local business to large city brokers and agents where the financial headquarters are located, the result is a constant diminution in premium income and naturally in commissions to agents.

It is a squeezing out process, in a

sense, but those offices will survive that have mastered merchandising technique, have equipped their organizations with those who can program their policyholders' insurance with satisfaction, who are on the alert to sell new coverages, who have become expert in applying the principles of salesmanship to insurance and who can serve their clients with intelligence and accuracy. This means that an agent must be alert, on his toes, up and coming, must know his contracts and how to employ them and must give modern and expert counsel and genuine insurance service to his policyholders.

Getting People Interested in Quality

At the meeting of the NATIONAL ASSOCIATION OF INSURANCE AGENTS in Hollywood H. K. SCHAUFFLER, assistant manager NATIONAL BOARD, used an illustration in quality selling that deserves reiteration.

A concern got out a new inner tube for automobile tires to insure greater safety. In fact it consisted of two inner tubes so that in case of a blowout or puncture, a machine might still be

driven to destination. The cost was higher than the other inner tubes. Dealers did not warm up to them, declaring that the public would not pay the price. Therefore but few of the new tires were sold.

However, there came an awakening. The dealers began to see in this inner

tube the factor of safety and they appreciated its quality. This year the sales have been most gratifying.

Insurance can be likened to an inner tube. Quality insurance and safe indemnity costs more than the shoddy or thin variety. The increased price carries satisfaction.

PERSONAL SIDE OF THE BUSINESS

Welsh and Griffith Have Exciting Experience

KANSAS CITY—As they were returning from the Florida convention of the National Association of Insurance Agents, William J. Welsh of the Mann, Barnum, Kerdolff & Welsh agency, who is president of the Missouri association, and Fred V. Griffith of W. B. Johnson & Co., who heads the Kansas City association, had an unusual experience while driving through Arkansas accompanied by their wives.

They stopped at Conway, Ark., to see a friend who worked in a bank there. The bank had just opened. The friend was out of town, so they immediately continued their trip.

Some miles up the road toward Kansas City, Mr. Griffith, who was driving, turned out to pass a car. Shortly afterward, a siren sounded. Mr. Griffith pulled off the road and stopped. The car they had passed drew alongside, and a man leaped out with a gun in each fist, flashing a sheriff's badge. The sheriff's driver threw a sawed off shotgun in their direction.

They were ordered out of the car and marched back of the vehicle about 20 feet, with their hands in the air. To their queries as to what was the matter, the "law" only replied that "You know what's the matter!" They were searched; the car was searched. All the time their hands were in the air. Finally able to establish their identity to the satisfaction of the sheriff and his deputy, they learned that the Conway bank had been held up a few minutes after opening and someone had spotted their car and the license number. They were finally permitted to continue on their way.

He was at one time president of the North St. Louis Improvement Association and O'Fallon Park Association. He was prominent in men's organizations connected with the Catholic Church. His son, Dan J. Feckter, who has been associated with him for the past four years, will continue his father's business.

Mr. Feckter was 65 years of age. He was born in Hungary and was brought to this country at the age of nine.

A. W. Sewall, 85, veteran Boston insurance man, died at his home in Melrose. He started as office boy with Foster & Scull, now Field & Cowles, and later became chief clerk in the general agency of the Royal. He was a special agent for the Union of Pennsylvania for 19 years, until that company dissolved, and then became a partner in the firm of Ide & Sewall, resigning in 1911 to become special agent of the

George W. Blossom, Sr., chairman of the board of Fred S. James & Co. of Chicago, who suffered a severe attack a few weeks ago at his home in Pasadena, Cal., is in as comfortable a state as could be expected. His daughter is with him. Mr. Blossom had carried his age remarkably well. He is now in his 85th year.

Commissioner Read of Oklahoma has left for a 10-day vacation, visiting his "old haunts" in Kentucky, and will attend the Kentucky Derby for the 26th successive year. He will visit his old home at Scottsville, Ky., before going to Louisville.

Louis J. Fischer, who assumed his new duties as assistant general agent of the Home in Chicago May 1, was tendered a farewell dinner by the Gregory & Appel agency at Indianapolis, with 48 of the office staff present. Mr. Fischer was state agent of the Home in Indiana before going to Chicago. Secretary Leonard Peterson was present from the home office. J. W. Twitte and J. C. Appel of the agency had charge of arrangements.

D. J. Kadyk of Lord, Bissell & Kadyk, Chicago, who is prominently identified with London Lloyds' operations in this country, with Mrs. Kadyk boarded the "Manhattan" in New York for a business trip to London. Mr. Kadyk makes an annual trip to the London Lloyds head office to confer with the underwriters and brokers.

H. F. Waterman, vice-president of Agricultural of Watertown, has returned to the head office, after making an agency visit to several middle western cities. He made the trip after attending the meeting of the Western Underwriters Association in White Sulphur Springs, W. Va.

Commissioner Emery of Michigan was presented with an ancient firemen's helmet by Saladan Shrine of Grand Rapids of which the commissioner is a member. It is redecorated in brilliant fashion and inscribed "Marshal No. 1, East Grand Rapids Fire Department." Under the present law, the commissioner is state fire marshal ex-officio.

DEATHS

John H. Feckter, vice-president of the Laclede Agency Company of St. Louis, died after an illness of four months. He started with Metropolitan Life in 1903, formed his own general insurance agency in 1911 and in 1929 became vice-president of the Laclede agency. He was one of the organizers and the second president of the St. Louis Insurance Brokers Association. He was active in community affairs and was the first president of the Cosmopolitan Club.



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, H. E. Green, Jr.

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Subscription Price \$4.00 a year in United States and Canada. Edition, \$5.50 a year. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

Insurance Group Speaker at U. S. Chamber of Commerce



LAURENCE E. FALLS, Newark Vice-president American

North British. For the past 20 years he had conducted his own agency.

Mrs. Oscar W. Schmidt, wife of the well known Chicago agent, died last week at her home in Wilmette, Ill., from cerebral thrombosis. She had been under the doctor's care for 10 weeks. She was prominent in her community.

Abraham Grootemaat, 74, president of A. L. Grootemaat & Sons, Milwaukee, and for more than 50 years a member of the Milwaukee Board, died at his home there. Two sons, Elmer and Clarence, are associated in the agency.

J. F. Snyder, 70, retired Kansas state agent St. Paul F. & M., died following a stroke at his home in Alhambra, Cal. He was a prominent Kansas field man for 25 years, all with the St. Paul, including five years with the Van Arsdale & Osborne Brokerage Company, Wichita general agents. He also was a leader in the Blue Goose and field club, being charter member and first president Central Kansas Field Men's Club, Wichita. He retired in 1936. Before becoming a field man he was an agent at Topeka, Kan.

Ray Becker, 39, who formerly operated the R. E. Becker agency in Milwaukee, died suddenly at his home in Menominee Falls, Wis.

B. G. Bradley, 55, Iowa City local agent, died at his home there.

The executive committee of the Iowa Association of Insurance Agents, including President B. C. Hopkins of Des Moines, held a meeting just prior to the Business Development meeting at Daventport, which was one of the outstanding zone meetings held this year.

The NATIONAL UNDERWRITER

1938 Fire Premiums Reinsured, Retained

Shown below is the concluding installment of the analysis of premiums written in 1938 by leading fire companies based on net premiums retained and net premiums reinsured.

The first and second installments appeared in the April 6 and 20 issues respectively.

Companies shown in this table are those operating in Illinois which have had total net fire premiums written before reinsurance of \$1,000,000 or more.

The factory mutual companies are not included in this table.

The numbered columns are as follows: Column 1 net fire premiums retained after reinsurance, column 2 net losses paid, column 3 loss ratio on net retained basis, column 4 net reinsurance premiums ceded, column 5 losses paid by reinsurers, column 6 the loss ratio on net fire premiums reinsured to premium retained, column 7 total net

premiums retained for all classes of business, column 9 total net losses for all retained basis. Columns 11 and 12 give the total net premiums ceded on all lines and the total net losses paid on all lines by reinsurers. The loss ratio on business reinsured, all lines, is shown in column 13.

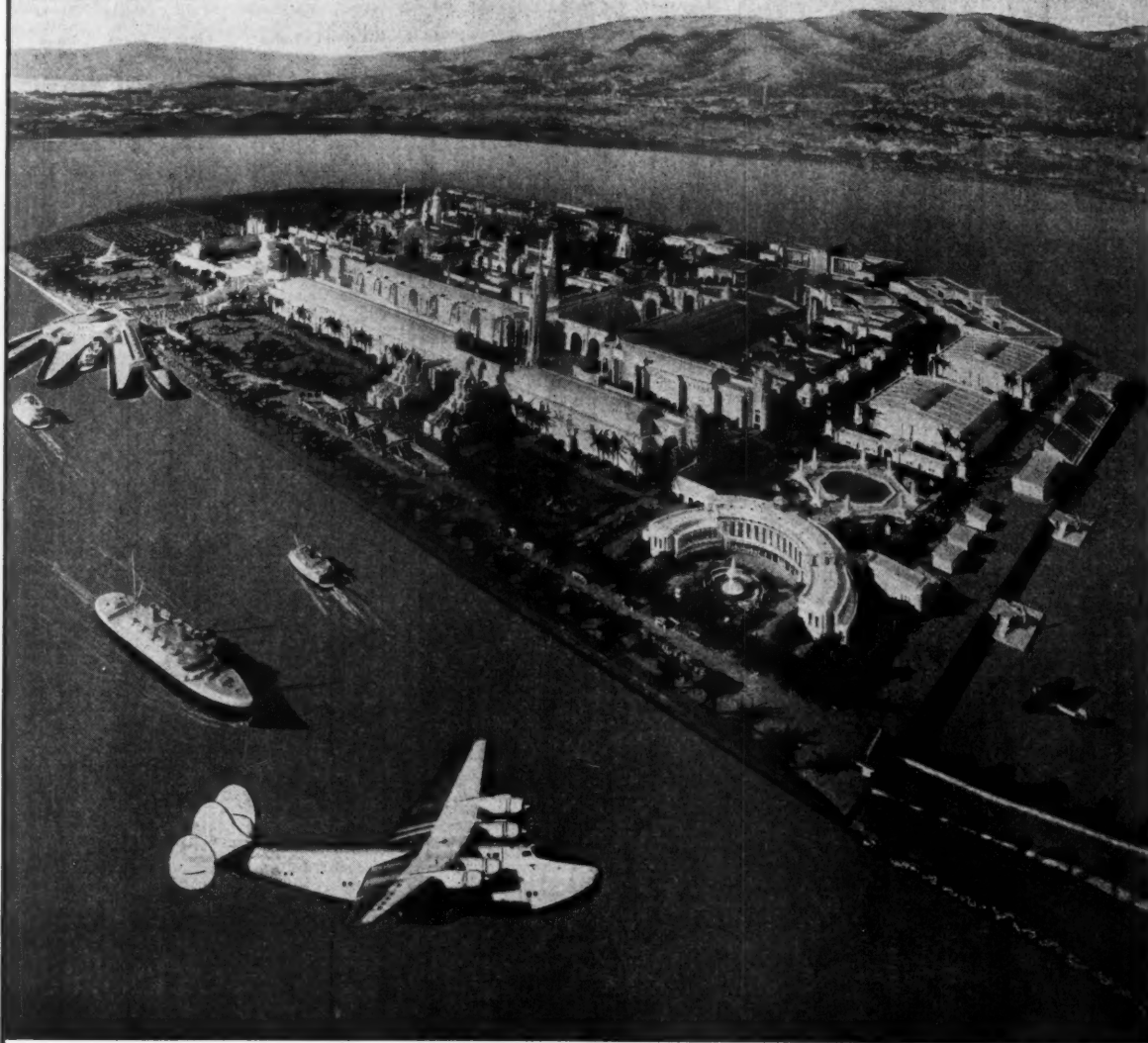
In column 14 is found the ratio of premiums reinsured in all lines to premiums retained in all lines.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Net Premiums Retained	Net Losses Paid	Loss Ratio Retained Basis	Net Premiums Ceded	Losses Paid by Reinsurers	Loss Ratio Reinsured Basis	Percent Net Premiums Retained	Total Net Premiums Retained	Total Net Losses Paid	Loss Ratio Total Basis	Total Net Premiums Ceded	Total Net Losses Paid	Loss Ratio Total Basis	Ratio Premiums Retained to Premiums Reinsured
Natl. Retail Mut.	997,615	328,942	32.9	450,597	152,186	33.7	45.1	2,069,657	614,944	29.7	505,829	161,084	31.8	24.4
Natl. Union	4,231,589	1,750,815	41.3	1,126,287	675,952	60.0	26.6	7,141,658	1,539,595	21.5	3,306,022	842,149	25.4	46.2
New Brunswick	921,478	325,605	35.3	1,316,616	502,830	38.1	142.8	1,640,593	803,064	48.9	1,944,393	804,681	41.3	118.5
New Hampshire	3,315,248	1,265,938	38.1	738,389	361,925	49.0	22.2	4,361,250	1,750,065	40.1	1,347,515	615,624	45.6	30.8
New York	1,864,391	739,439	39.6	2,109,205	755,861	37.7	113.1	2,251,904	923,055	41.4	2,572,726	1,012,456	39.3	114.2
New York Ind.	778,990	270,002	34.6	3,534,866	1,332,085	37.6	104.2	2,512,472	1,135,517	45.1	2,484,323	1,033,371	40.7	115.1
Newark	1,857,077	812,354	43.7	1,935,703	800,997	41.3	41.6	4,596,059	1,870,924	40.7	2,160,827	892,197	41.2	98.8
Niagara	3,587,038	1,369,013	38.1	1,494,327	762,779	58.5	28.4	6,245,036	2,831,220	45.3	2,558,193	1,449,496	56.6	40.9
No. Brit. & Merc.	4,580,600	1,873,797	40.9	1,302,298	620,280	44.5	5.1	5,911,976	2,553,727	43.1	1,280,508	691,562	54.0	21.6
North River	4,168,828	1,591,134	38.1	493,936	47,247	50.5	38.2	2,249,184	1,026,645	45.6	1,152,407	49,950	43.3	5.1
North Star	1,826,401	755,138	41.3	93,466	463,136	43.3	29.5	3,831,920	1,512,462	39.4	1,691,407	863,834	51.0	44.1
Northn. As. Eng.	2,793,169	1,044,513	37.3	1,067,408	315,583	33.4	361.2	4,679,473	1,736,477	37.1	1,011,333	561,010	55.6	21.6
Nor. Ins., N. Y.	3,194,645	1,148,600	35.9	943,387	568,038	60.6	0.2	669,572	295,135	44.0	2,537,934	1,227,341	48.3	379.0
N'western F. & M.	400,089	147,818	36.9	1,445,353	267,909	27.3	18.5	6,708,194	2,016,614	30.0	1,116,076	311,485	27.9	16.6
N'western Mut.	5,268,611	1,746,156	33.1	135	396,418	42.9	29.2	4,289,030	1,465,605	34.1	1,194,844	484,949	40.5	27.8
N'western Natl.	3,162,293	1,000,083	31.6	979,807	427,287	48.8	49.3	2,533,659	1,071,519	42.3	1,575,578	788,573	50.1	62.3
Norwich Union	1,989,509	784,218	39.4	74,086	202,582	38.4	35.0	2,302,817	917,708	39.8	790,968	287,841	36.3	86.1
Old Colony	1,102,897	563,690	50.6	479,143	175,942	36.3	32.5	1,673,962	767,467	45.8	683,822	451,335	65.7	94.5
Orient	1,203,098	489,152	40.6	479,143	275,223	57.4	39.8	1,508,412	622,996	41.3	1,425,550	937,861	65.7	94.5
Pacific	1,627,474	711,456	43.7	1,328,692	555,767	41.8	67.4	3,797,454	1,652,773	43.5	1,347,333	632,941	47.0	31.1
Pac. Natl.	1,969,349	711,456	36.1	1,328,692	275,223	57.4	59.3	4,319,820	1,632,614	37.8	1,061,329	458,253	43.1	112.1
Palatine	1,627,474	535,893	32.9	966,299	497,557	51.4	59.3	4,319,820	1,632,614	37.8	1,061,329	458,253	43.1	112.1
Paul Revere	713,911	269,010	37.6	966,299	497,557	51.4	59.3	4,319,820	1,632,614	37.8	1,061,329	458,253	43.1	112.1
Pawtucket Mut.	766,591	232,670	30.4	841,086	343,167	40.6	117.8	946,253	388,593	41.0	5,236,791	1,692,552	32.0	397.8
Pearl	766,591	232,670	30.4	841,086	343,167	40.6	117.8	946,253	388,593	41.0	5,236,791	1,692,552	32.0	397.8
Pennsylvania	3,082,049	1,072,409	34.7	717,332	426,375	59.4	23.2	4,435,662	1,697,361	38.2	1,155,975	658,303	56.9	26.0
Ph. Lumb. Mut.	1,904,484	615,502	32.2	1,027,348	441,471	42.9	76.0	1,324,568	538,467	40.6	1,146,225	519,994	45.3	62.3
Phila. F. & M.	824,499	295,509	35.8	1,451,496	550,780	37.9	176.0	1,324,568	538,467	40.6	1,146,225	519,994	45.3	62.3
Phoenix, Lon.	2,320,928	835,460	35.9	2,762,828	1,122,142	40.6	94.1	8,601,032	3,396,819	39.4	8,686,947	3,544,707	40.8	100.9
Phoenix, Conn.	5,672,339	2,075,327	36.5	5,337,857	2,037,318	38.1	32.7	5,731,622	2,746,515	47.9	2,134,121	1,105,632	51.8	37.2
Prov. Wash.	3,107,738	1,268,491	40.8	1,018,873	336,535	33.0	28.2	2,689,987	1,277,257	47.8	807,262	340,976	42.2	30.2
Prudential, G. B.	2,315,335	1,133,096	48.9	653,031	249,338	38.1	79.6	7,227,803	2,648,027	36.6	6,541,895	3,075,280	47.0	90.5
Queen, N. Y.	5,398,786	1,833,515	33.9	4,298,497	1,610,648	37.4	181.9	7,777,430	3,940,444	50.6	1,283,154	627,097	48.8	165.0
Reliance, Pa.	516,993	199,739	38.6	940,426	400,539	45.7	28.0	2,273,374	669,738	29.4	595,431	209,672	35.2	26.1
Republic, Tex.	1,924,852	581,583	30.2	539,915	180,559	34.5	95.2	1,733,600	756,797	43.6	1,624,314	674,769	41.5	93.6
Rhode Island	1,379,818	580,727	42.0	1,313,918	521,553	39.6	60.1	2,306,366	1,206,778	52.3	1,630,622	555,211	34.0	198.1
Richmond, N. Y.	762,563	319,052	41.7	383,453	274,088	71.4	198.6	822,830	340,942	42.4	433,914	305,515	70.4	46.4
Rochester Amer.	637,374	251,229	39.4	1,265,920	406,019	32.0	81.1	2,808,366	1,206,778	42.9	2,353,225	995,496	42.3	33.7
Royal Exchange	1,794,288	706,367	39.3	1,456,594	608,069	41.7	144.7	1,871,409	1,708,368	91.3	1,960,447	629,788	32.1	104.7
Rossia	1,237,596	1,167,963	94.3	1,790,967	584,801	32.6	311.2	7,977,873	3,380,391	42.3	23,780,090	9,024,751	37.9	298.0
Royal Insur.	5,836,266	2,357,754	40.3	18,163,719	6,615,490	36.4	27.3	11,830,689	5,520,815	46.6	3,333,320	2,239,632	66.9	33.2
St. Paul F. & M.	5,454,088	1,973,278	36.1	1,490,463	744,200	49.9	66.4	2,694,611	1,110,056	41.1	1,542,899	792,927	51.3	57.2
Sec. Un. & Natl.	2,068,207	806,706	39.0	1,474,671	651,467	44.2	450.5	3,641,917	1,693,352	46.4	1,950,367	1,095,990	56.1	534.4
Security, N. Y.	2,572,909	1,010,746	39.2	854,466	393,067	46.0	3.7	1,623,683	712,407	43.8	57,148	18,440	32.2	3.5
Sentinel	248,044	102,134	41.1	1,117,618	499,530	44.6	34.2	12,409,285	3,275,516	26.3	901,845	426,518	47.2	125.8
Skandia	1,398,093	632,381	45.2	51,984	17,988	34.6	35.2	1,950,824	5,758,786	46.4	4,545,170	2,364,633	52.0	36.6
South Carolina	606,959	274,332	45.1	802,299	390,253	48.6	78.2	1,553,879	716,563	46.1	1,097,771	448,403	44.4	51.6
Springfield F. & M.	4,433,506	3,472,575	78.1	2,927,670	1,397,468	47.7	38.9	2,132,253	684,289	32.0	2,545,117	976,851	38.3	163.7
Standard, Conn.	1,462,257	520,943	35.6	516,075	216,318	41.9	29.5	5,502,213	2,941,246	53.4	2,406,747	1,603,574	37.2	72.9
Standard, N. Y.	901,386	347,768	38.6	1,532,086	527,763	37.3	194.8	1,553,879	716,563	46.1	1,097,771	448,403	44.4	51.6
Star	1,590,290	445,568	28.0	1,212,633	466,493	38.4	38.9	3,298,165	1,452,039	44.0	2,406,747	1,603,574	37.2	72.9
Sun, Eng.	2,299,235	965,808	42.0	895,986	509,778	56.8	29.5	2,490,015	1,147,375	46.0	594,368	293,943	49.3	1.1
Swiss Re.	5,068,442	2,766,821	54.6	59,428	23,325	39.2	15.5	13,068,091	4,240,306	32.4	1,449,110	470,443	32.5	11.2
Tokio M. & F.	833,597	345,909	41.4	246,069	22,325	39.2	11.1	5,502,213	2,941,246	53.4	2,406,747	1,603,574	37.2	72.9
Transcontinental	313,825	118,172	37.6	698,403	272,010	38.9	222.5	2,490,015	1,147,375	46.0	594,368	293,943	49.3	1.1
Travelers Fire	8,166,705	2,674,962	32.7	1,271,348	1,026,932	80.7	63.4	971,074	399,147	41.1	2,040,733	1,451,704	71.1	15.6
Union As. Eng.	733,141	276,562	37.7	456,052	201,728	44.3	114.1	545,798	156,963	28.7	607,439	262,389	43.2	62.8
United Mut. R. I.	620,969	140,125	22.6	1,498,897	781,918	52.1	21.7	9,608,096	4,016,181	41.7	3,290,179	1,423,408	37.2	146.9
United Firemen's	705,152	267,840	38.0	594,943	249,914	42.0	35.5	6,015,885	2,948,674	49.0	4,272,452	2,361,693	55.2	71.0
United Maas	2,827,825	811,397	28.6	282,919	334,146	36.4	38.5	1,669,022	661,171	39.6	1,514,922	573,963	37.8	90.7
United States	3,514,348	1,384,687	39.4	1,260,826	731,918	52.1	184.4	1,626,097	643,105	42.1	2,072,307	909,679	43.8	132.8
Westchester	6,676,714	2,504,494	37.5	1,498,897	781,918	52.1	21.7	9,608,096	4,016,181	41.7	3,290,179	1,423,408	37.2	146.9
Windsor Assur.	839,171	1,384,687	39.4	1,260,826	731,918	52.1	184.4	1,626,097	643,105	42.1	2,072,307	909,679	43.8	132.8
Windsor Fire	833,525	551,193	66.1	323,922	126,814	39.2	35.8	1,323,075	474,674	35.8	1,323,075	474,674	35.8	1,323,075
Windsor Life	1,187,501	491,174	41.0	787,255	274,674	34.8	94.4	1,669,022	661,171	39.6	1,514,922	573,963	37.8	90.7
Windsor Mut.	1,187,501	491,174	41.0	787,255	274,674	34.8	94.4	1,669,022	661,171	39.6	1,514,922	573,963	37.8	90.7
Includes participating and non-participating policies.														
Assessable first line, non-assessable second line.														

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The NATIONAL UNDERWRITER

May 4, 1939

CASUALTY AND SURETY SECTION

Page Seventeen

Companies Win Vital Missouri Adjuster Case

Sweeping Decision Is Handed Down by the State Supreme Court

In a unanimous, sweeping decision, the Missouri supreme court has upheld the position of the insurance companies in the important issue regarding the operations of lay adjusters. The decision was rendered in the case that was brought by six mutual casualty companies more than two years ago. It has been the central case that has developed from the controversy that has prevailed during the last several years as the result of action brought by bar groups in various parts of the country to cause a large part of the business transactions handled by laymen to be defined as constituting the law business and to be conducted exclusively by lawyers.

Considerable litigation in other parts of the country has been more or less held in abeyance until the Missouri case should be decided. Because of the emphasis that has been placed on this case the decision is likely to be determinative elsewhere and is likely to discourage bar groups in other parts of the country from seeking to interfere with the adjusting practices of insurance companies.

Brought Against Boyle Clark

The Missouri case was brought against Boyle Clark of Columbia, as general chairman of the bar committees of Missouri, and five members of his advisory committee. Clark had caused several adjusters for insurance companies to be cited for contempt on the ground that in their operations, they were violating the Missouri law that defines what constitutes the law business.

The case was tried in the circuit court of Boone county in Columbia in June, 1937. That court in January of 1938 held that the pleadings had converted the case from a declaratory judgment suit into an action in equity and held against the insurance companies on most of the important points that were involved. The companies promptly took an appeal and the appeal was argued before the Missouri supreme court last September. The decision has been eagerly awaited for the last several months.

The supreme court held that an insurance adjuster may issue forms of casualty policies, may investigate claims, may fill out releases in forms prepared by lawyers, may report lawyers' findings on company liability, may express opinions as to financial extent of liability, may determine how much a company will pay in settlement, may participate in informal conferences in workmen's compensation commissions.

The last point in the decision is regarded as very important, as the right

(CONTINUED ON PAGE 25)

Auto Rate Situation Absorbs Casualty Men

NEW YORK—Superintendent Pink of New York had a conference here Friday afternoon with a few representatives of the National Bureau of Casualty & Surety Underwriters and of some of the independent stock companies regarding the automobile rate situation. William Leslie, general manager, was spokesman for the National Bureau. He was accompanied by several of his associates. Among the other companies that were represented are American Automobile, Commercial Casualty, Continental Casualty, General Accident, Home Indemnity, Indemnity of North America and Standard Surety & Casualty.

The Bureau has not filed its new rating plan for automobile P. L. and P. D. in New York state and does not intend to make such filing until this fall when the regular rate revision is made. Mr. Leslie told Mr. Pink that the bureau companies had been suffering serious losses in their automobile accounts, particularly in unregulated states and that the leaders in the bureau decided that they must engage in some experiments in an effort to regain their position. Mr. Pink indicated that he is interested in the question of whether the new bureau rates are adequate. He said that he must take into consideration the position of the domestic companies.

Won't Permit Deviations

The representatives of some of the independent companies sought to determine whether, in view of the bureau's new move, the New York superintendent would be willing to accept deviation filings. Mr. Pink indicated that he is firm in his intention to hold to the present system, whereunder all companies are required to charge the same rates. General Accident is the only company that has been able to get an automobile rate deviation approved in New York state.

Mr. Pink is said to be interested in determining whether the features of the so-called ABC merit-demerit rating plan that is employed in New York state could not be combined with features of plans operating elsewhere at the time of the next rate revision.

Field men of bureau companies have been in contact with a number of their agents and seem to be highly pleased with the possible beneficial results that will accrue to their offices. Already some new business has filtered in, being taken from outside companies. It is found that most agents have a feeling of loyalty toward the specialty companies to which they have been giving their business at the lower rates and are not disposed to throw them out of their offices until it is seen how much of a hurricane the present blow is. However, the bureau field men are convinced that they will profit by this movement very materially. They have been more or less helpless in agencies because of the presence of companies writing off manual.

Furthermore they have the safe driver reward plan which, with the checks going out, has become more popular. They declare that they are

now pretty much on an even keel with the outsiders and inasmuch as there will be no edge, or very little, the tendency will be more and more to shift business to the bureau companies.

Some of the independent companies report that last week, before they had decided and announced their new auto rate programs, their agents in the field engaged in some fancy rate making on their own responsibility. Business commenced arriving at a variety of rates, some 40 percent off, some 45 percent off, etc. Apparently some agents were merely guessing what action their companies would take, while others were collecting whatever they could to get or keep the business.

Four Month's Policies Involved

In some agencies, because of the March 1 retroactive date, four months policies were involved. There were rebates to be calculated and paid on March and April policies. All agencies, of course, had written up May business at the old rates, and some agencies had even written up June business.

Some of the bureau companies have directed field men to interview every agent in the next few weeks and submit a report on each agent's situation to the home office. The report includes a statement as to any other companies there may be that are receiving automobile business from the agent. A few of the companies have instructed their field men to inform every agent that the company now expects to receive all of the agent's business, including automobile and that the agent must decide immediately whether he will operate on such a basis. Other companies that maintain a large organization of office agents have laid down the ultimatum that these agents now must give all of their business to the company with which they are connected. In the past few years these companies have permitted such agents to take their automobile business outside, due to the pressure of the producers who complained that they couldn't hold their business against the price quoted by the outsiders.

A few of the largest independent companies decided upon their course within a very few days after the bureau struck. Continental Casualty was the first. The others that acted in snort order were Employers Liability, General Accident, Home Indemnity, and Car & General. Many others took their time, canvassed the situation, discussed the problem with other companies, watched for other companies to act.

Situation in Indiana

Although the Indiana department promptly gave approval to the automobile rate filing of the bureau, it rejected the March 1 retroactive feature and the bureau's new filing does not become effective until May 9. The effective date had to be May 9, because section 178 of the Indiana law provides that changes in rates can become effective only after a waiting period of 15 days after filing. The filing was made April 25.

(CONTINUED ON PAGE 28)

Haines Again Heads Casualty-Surety Company People

Magazine to Be Published by the Association of Executives

NEW YORK—The Association of Casualty & Surety Executives, at its annual meeting unanimously reelected J. M. Haines as president, J. W. Randall, vice-president, and C. W. Fairchild, general manager. Mr. Haines is United States manager of the London



J. M. HAINES

Guarantee & Accident, and president of the Phoenix Indemnity. Mr. Randall is vice-president of the Travelers and Travelers Indemnity. Mr. Fairchild has been general manager since 1937 and for many years prior was acting general manager and assistant general manager.

Executive Committee Members

The Standard Accident was elected a member of the executive committee for the term expiring in 1941 and the following were elected members of the executive committee for the three year term expiring in 1942: American Surety, Employers' Liability, Fireman's Fund Indemnity, Glens Falls Indemnity, Maryland Casualty and United States Fidelity & Guaranty.

The association also approved the publication of a monthly magazine devoted exclusively to the capital stock casualty insurance and suretyship business. Publication of such a magazine has been considered for many months. It had previously been approved by the public and agency relations committee and the executive committee, but required the further approval of the asso-

(CONTINUED ON NEXT PAGE)

To Vote May 16 on Chicago Cost

Schofield Announces Detail of Plans That Will Be Submitted

NEW YORK.—Recommendations by the special committees of the casualty and surety acquisition cost conferences for the regulation of business in Cook county, which were submitted to all company members several days ago, will be considered at a general gathering of both conferences here May 16.

The proposals, to quote E. J. Schofield, chairman, are: "For casualty insurance each company will be permitted to maintain general agents or branch offices or both, providing the aggregate of such representation does not at any one time for any one company exceed three in number. No change has been made in the scale of commissions at present used for general agents. All producers other than those registered as general agents will be paid the going rate of brokerage commission as heretofore established with the exception of plate glass, where the commission rate for brokers has been reduced to 25 percent.

Setup in Surety End

"For fidelity and surety business each company will be permitted to maintain a principal office in Cook county which may be a branch office or general agent, designated and registered as such. In addition to the principal office each company may maintain one general agent. The present scale of commissions for general agents is maintained as heretofore. A new classification to be known as a city agent has been recommended. Agents or agencies which apply for this designation should be able to qualify according to the standards which will be set up and receive official designation as city agent. The city agent will be paid general agency rates of commission on all business produced direct by the agent or agency or by a salaried employee or produced by agents housed within the office of the city agent by all companies.

"For both casualty and fidelity and surety business it is proposed to establish in Chicago an administrative office in charge of a salaried employee known as an administrator. It will be the duty of this administrator to supervise the application of the rules and also act as arbitrator under the arbitration rule newly provided."

Local Advisory Committee

If the representatives of the Chicago producers' groups so desire, Mr. Schofield said, provision will be made for the creation of an advisory committee to be composed of representatives of the industry represented in Cook county. This committee will act in an advisory capacity and assist the administrator in the application of the rules.

"The arbitrator rule as recommended," Mr. Schofield said, "will give to the arbitrator the right to examine the books and records, and in other effective ways determine facts which may be necessary in order to settle controversies or to determine existing violations. Companies or agents convicted of violating the rules, when established, may be subjected to various penalties, which do not, however, include a monetary fine. These penalties are to be imposed by the arbitrator after hearing and the offender has, under the proposed rule, the right to appeal from the decision of the arbitrator to the executive committee of the conference. In the event that committee does not unanimously sustain the arbitrator, further appeal is then permitted to the conference as a whole.

"At the meeting of the conferences of both casualty and surety business to be held May 16, the above recommendations will be discussed and voted upon.

New U. S. Grading of Sureties

The treasury department has published a new exhibit showing the underwriting limitations of surety writing companies. This is the amount that is acceptable from each company on bonds running to the United States government. The list is prepared semi-annually by the treasury department, following audits of financial reports of the surety companies as of June 30 and Dec. 31 of each year. The net limit on any one bond is the equivalent of 10 percent of the capital and net surplus of surety companies. The table follows:

	Net Limit on Any One Bond
*Accident & Casualty.....	\$1,994,000
Aetna Casualty.....	173,000
American Bonding.....	458,000
American Employers.....	102,000
American General.....	193,000
American Indemnity.....	193,000
American Motorists.....	655,000
American Re-Insurance.....	1,391,000
American Surety.....	199,000
Associated Indemnity.....	274,000
Century Indemnity.....	370,000
Columbia Casualty.....	397,000
Commercial Casualty.....	227,000
Commercial Standard.....	67,000
Continental Casualty.....	795,000
Eagle Indemnity.....	308,000
Employers Casualty.....	94,000
*Employers' Liability.....	1,211,000
Employers Reinsurance.....	550,000
Eureka Casualty.....	64,000
*European General.....	405,000
Excess Insurance.....	161,000
Fidelity & Casualty.....	1,685,000
Fidelity & Deposit.....	1,002,000
Fireman's Fund Indemnity.....	388,000
General Casualty, Seattle.....	174,000
General Reinsurance.....	773,000
Glens Falls Indemnity.....	334,000
Globe Indemnity.....	750,000
Great American Indemnity.....	506,000
*Guarantee of North America.....	166,000
Hartford Accident.....	2,494,000
Home Indemnity.....	296,000
Indemnity of North America.....	875,000
Inland Bonding.....	50,000
International Fidelity.....	172,000
Kansas Bankers Surety.....	52,000
London & Lancashire Indem.....	210,000
*London Guarantee.....	485,000
Maryland Casualty.....	789,000
Massachusetts Bonding.....	600,000
Mellbank Surety.....	879,000
Merchants Indemnity.....	170,000
Metropolitan Casualty.....	262,000
National Automobile.....	69,000
National Casualty.....	175,000
National Surety.....	1,322,000
New Amsterdam.....	674,000
New York Casualty.....	210,000
Northwest Casualty.....	75,000
*Ocean Accident.....	523,000
Occidental Indemnity.....	201,000
Ohio Casualty.....	160,000
Pacific Indemnity.....	466,000
Peerless Casualty.....	105,000
Phoenix Indemnity.....	311,000
Preferred Accident.....	447,000
Royal Indemnity.....	1,065,000
Saint Paul-Mercury.....	364,000
Seaboard Surety.....	284,000
Standard Accident.....	495,000
Standard Surety.....	218,000
Sun Indemnity.....	262,000
Texas Indemnity.....	34,000
Trinity Universal.....	231,000
United Pacific.....	95,000
United States Casualty.....	312,000
United States Fidel. & Guar.....	1,260,000
United States Guarantee.....	858,000
Virginia Surety.....	31,000
Western Casualty & Surety.....	106,000
Western Surety.....	77,000
Yorkshire Indemnity.....	166,000

*Foreign company authorized to do a reinsurance business only.

Globe Premium Reserve Far Higher

A sharp gain in unearned premium reserve is reported by Globe Indemnity in its statement as of March 31. The figure is \$8,177,403, as compared with \$6,957,193 as at Dec. 31, 1938. Assets are \$38,871,819, a decline of about \$80,000. Voluntary reserve is \$4,967,327 compared with \$6,621,734.

New Bay State Appeals Chairman

BOSTON.—The governor and council have confirmed the appointment of Charles Stackpole of West Somerville as chairman of the state board of appeals on compulsory automobile liability insurance, to succeed W. A. Bodfish.

When approved by two-thirds of the member companies of the conference, it is expected that an effort will be made to apply the rules at an early date."

Insurers to Make Refunds in Pa.

Will Return \$1,000,000 Due to Invalidation of Compensation Act Features

Refunds of more than \$1,000,000 will be made to Pennsylvania workmen's compensation policyholders by insurance companies as a result of the recent decision of the Pennsylvania supreme court invalidating two sections of the compensation act of that state. The procedure to be followed was decided upon at a conference of company representatives with Commissioner Taggart of Pennsylvania.

One section that was invalidated required the department of labor to assess employers with the cost of administering the act. Premiums accordingly were pitched to cover such cost. But the funds had not yet been turned over to the department, inasmuch as the method of payment had not been determined by the time that the section was held unconstitutional. The rates were increased by reason of this assessment as of June 1, 1937, and the refund will also apply as of that date.

Another section that was invalidated provided that in no dependency death cases, \$1,500 must be paid to the department of labor for purposes of rehabilitation and for second injury accidents. Inasmuch as any possible dependents were given two years in which to file a claim, no payments have been made by the companies to the department. The premium rates were increased as of Jan. 1, 1938, to take care of that provision and those premiums will be refunded.

"I heartily approve the prompt action of the companies in making this refund to their policyholders," Commissioner Taggart declared. "The money was collected in good faith, but the action of the supreme court obviously requires the return of any amounts collected under the two sections."

Auto Rate Slash Was Blow to A. & H. Week

Many accident and health men were disappointed when the National Bureau of Casualty & Surety Underwriters announced its sensational auto rate slash on the eve of Accident & Health Insurance Week. Last week, when the attention of producers generally was supposed to be focused on accident and health, insurance men were talking of nothing but the bureau's action and the countermeasures of its competitors. Accident and health men say if the announcement had been made a week later it would have had no disturbing effect on accident and health week.

For example, one local agent in Boston was going to concentrate on accident and health calls and had arranged 30 appointments on which to take a special agent. As soon as the automobile rate news came out, he canceled all the appointments.

No Interest in A. & H.

An accident and health official said that whenever he tried to talk about his line last week agents would immediately lose interest and shift the subject back to the automobile situation.

The effect of the auto news on accident producers who are primarily life men was, of course, relatively trivial, although some of these producers write a considerable volume of automobile business along with their life production. Accident officials, who had confidently looked forward to last week's setting a new high mark for these annual affairs now fear that the 1939 total will look very sick alongside of previous A. & H. weeks.

Additional casualty news on Page 13.

Will Fight the State Monopoly Plan

California Insurance Men Resent Governor Olson's Ardent Support

SAN FRANCISCO.—California's insurance fraternity joined hands this week following a so-called fireside chat broadcast by Governor Olson Sunday morning in which he called on the people to support his program of state monopolistic workmen's compensation insurance. Governor Olson said that the business should be written and controlled entirely by the state and that private companies should be prohibited from the field. He said that state monopoly plan would mean a great saving to employers and better service to employees.

Companies and self-insurers refuse to accept these statements and are preparing to oppose the two measures now before the legislature. The California state chamber of commerce, consisting of several thousand employing firms also is fighting the proposal.

Haines Again Heads Company People

(CONT'D FROM PRECEDING PAGE)

ciation before it could be effectuated. The magazine will carry no advertising and will in no sense compete with established insurance periodicals.

U. S. Senator Clyde L. Herring of Iowa was the principal speaker at the dinner of the Association of Casualty & Surety Executives in New York Tuesday evening. He talked on "America's Insurance Against World Anarchy."

Larger Banquet Attendance

The dinner was attended by several hundred. President Haines, as toastmaster, briefly reviewed the accomplishments during the past 12 months, and paid high tribute to the work of the employees, particularly to that rendered by General Manager C. W. Fairchild.

J. W. Randall, vice-president Travelers, and newly elected vice-president of the association; C. B. Morcom, vice-president Aetna Life; J. Arthur Nelson, president New Amsterdam Casualty, and A. Duncan Reid, retired president of Globe Indemnity, spoke briefly of the growth of the casualty business and the influence of the association in upholding sound practices.

P. B. Sommers, president of the National Board; P. L. Haid, president Insurance Executives Association, and V. P. Whitsitt, manager Life Presidents Association, were introduced.

A message of sympathy was sent to F. Robertson Jones, for years prior to his retirement in 1938, an officer of the association, and now seriously ill at a New York hospital.

Taxi Men Form Company

Articles of incorporation for the Public Mutual Casualty of St. Louis, which plans to write liability and property damage covering Black & White taxicabs and service cars in St. Louis have been filed with the Missouri department. Directors are G. W. Smith, president Taxi Owners Association, which operates Black & White taxicabs; Frank Foley, manager Taxi Owners Association, and O. G. Heintzmann, president McCall Novelty Company distributors of slot machines.

Insures Old Locomotives

The Hartford Steam Boiler is insuring the old locomotives which constitute a part of the railroad exhibit at the New York World's Fair for property damage and liability.

Remove Confusion in Philadelphia

In 7-Week Period City Was Under Four Different Burglary Rate Schedules

PHILADELPHIA—Following a bewildering seven-week period during which this area found itself operating under four successive rate schedules, burglary manual rates appear to have settled down, the net result being a change from territory 3 to revised territory 6. On March 1 the National Bureau of Casualty & Surety Underwriters put Philadelphia county and five other counties, all formerly in territory 3, into territory 6. Then on March 14 it assigned them to territory 4, which has the lowest rate in the country. New Jersey which had been in territory 6 right along, was included in the reclassification except for a couple of cities in the metropolitan New York area. The Pennsylvania counties are Philadelphia, Chester, Delaware, Bucks, Montgomery and Allegheny (Pittsburgh).

A month later the bureau shoved the entire reclassified area back into territory 6, which had in the meantime been revised. As far as the Philadelphia area is concerned, most burglary officials feel that territory 6 is a correct allocation and that No. 4 offered too favorable a rate.

Reason for Shifts

Generally ascribed here as the reason for the bureau's kaleidoscopic jockeying of rates was the Indemnity of North America's revision of burglary rates Jan. 25. The impression got around that the North America was out to start a burglary rate war.

However, according to Assistant Secretary H. B. Montgomery, who has charge of the North America's burglary department, there was no such intention, as evidence of which he cited the fact that his company's revised rates were merely aimed at lowering the rates on policies of \$2,000 and up so as to get the North America's "world wide" burglary coverage on a basis that would compete with the personal property floater with which marine companies have made such serious inroads into burglary policies among the bigger buyers. Rates on policies up to \$2,000, comprising about 85 percent of the company's business, were not cut.

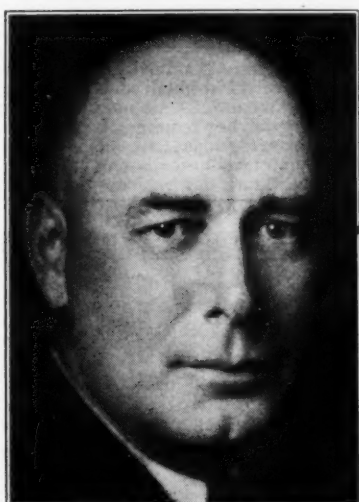
Bureau Carriers' Extension

May 1 the bureau companies began offering burglary coverage covering thefts off the premises as a means of competing with the personal property floater. While the marine coverage undercuts the rates of the North America and the bureau companies if the full blanket burglary coverage is bought, it is ordinarily possible to work out a combination of specific and blanket burglary insurance which is cheaper than the marine contract. On the other hand, the marine cover is all risk, whereas the burglary covers only burglary, robbery, larceny and theft, the fire hazard, for example, not being covered.

The new territory 6 rates, under which Philadelphia and this area operate, like the North America revision, lower the rate to those who will buy higher amounts than the usual \$1,000 policy, the reduction being greater as the amount of coverage increases.

For example, under the old territory 6 manual rates \$2,000 of full blanket coverage cost \$28.13. Under the revised rates it is \$28, a saving of only 13 cents. However, \$5,000 of full blanket today costs \$46 as against \$50 under the old territory 6 rates. There is also a saving on divided coverage. For example, \$5,000 divided equally between "A" (jewelry, furs, silver) and "B" (general household goods) costs \$34 under the

Program Chairman



CHARLES F. LISCOMB, Duluth

Former President Charles F. Liscomb of the National Association of Insurance Agents has been appointed chairman of the program committee of the organization to assist the officials and headquarters staff in developing program for the annual meeting.

Family Combination Form for Golfers Announced

H. W. Rollins, Ohio state agent of the Boston and Old Colony, in speaking of the family combination golf policy explains that it covers the entire family, husband, wife and unmarried sons and daughters residing permanently together. It is a combination policy written by the Boston or Old Colony together with the Preferred Accident. The Preferred Accident gives protection for the assured or the family against bodily injury and property damage.

The bodily injury limits are \$10,000-\$25,000 and the property damage \$1,000. The Boston and Old Colony coverage includes fire, lightning, windstorm, earthquake, navigation and transportation perils, theft, breakage of golf clubs while the assured is actually in course of play on any recognized golf course, the limit of liability being \$200. The policy does not attach on property insured while on the premises of a permanent resident of the assured. The cost is \$10 for the family or \$8 for one assured. The family feature cannot be written in New York, Kansas, Minnesota or Oregon. The combination golf policy cannot be written in Arizona, Arkansas, Louisiana, Nevada, New Mexico, North Dakota, Oklahoma, South Carolina, Virginia or Wyoming.

Expect Revised Standard Liability Policy Soon

The joint committee on the standard automobile liability policy is just about ready to make the announcement about the revisions that have been decided upon and it is likely that the new standard policy for use by both stock and mutual companies will be officially issued the week of May 15.

new rates as against \$36.56 under the old.

Agents here are much pleased at the new manual set-up, which greatly simplifies the calculation of the premium on divided coverage. This amounts to a real stimulus to the sale of burglary insurance, as the amount of arithmetic involved with the old manual caused burglary insurance to be viewed as a complicated form of business.

Burglary Policy Changes Hit at Marine Competition

NEW YORK—Authorization of coverage of all personal property of the assured against loss from burglary, robbery, theft, vandalism and malicious mischief away from the assured's premises with a \$10 deductible, is apparently another blow at marine competition, and is high point of a number of changes in the burglary manual announced by the National Bureau of Casualty & Surety Underwriters. Other important changes are reductions up to 50 percent on amounts of residence burglary insurance in excess of \$1,000, authorization of three year discounts for open stock insurance, territorial revisions with consequent lower rates in a number of states and reduction of minimum premiums to permit \$500 personal holdup insurance to be written.

Insurance against theft outside the premises is effected by attaching a new prescribed endorsement to the residence burglary policy. Coverage under this endorsement applies to all personal property of the assured, even though the residence burglary policy may cover only jewelry, silverware and furs, or only personal property other than these items. Money, securities, money orders, letters of credit, railroad tickets and similar documents are covered up to \$50, unless the amount of insurance is less than \$1,000, in which case the amount of insurance on money and similar property is \$25. A \$10 deductible applies to all property except articles specifically described and enumerated and covered by a specific amount of insurance. Fire from any cause is excluded.

Entire Household Covered

The endorsement covers personal property owned or used by the assured and by any permanent member of his household except a person not related to him who pays board and room. The property of domestic employees is covered while the employees are accompanying the assured. Coverage extends to the United States, Alaska and Canada.

As an indication of the intended competition of this coverage with inland marine policies, the conditions and exclusions are very similar to those in the personal property floater and personal effects floater. The "theft outside premises" endorsement does not cover articles carried or held as samples, for sale or delivery or property pertaining to any business, profession or occupation of any person covered by the endorsement, loss of property in fraternity or sorority houses or dormitories, or on the premises of schools or colleges or on exhibition, automobiles, motorcycles, aircraft, boats, conveyances (except bicycles) or equipment, furnishings and appurtenances, animals and birds. Unscheduled articles of jewelry and furs are covered up to \$250. Property in unattended automobiles or trailers is not covered except when the automobile is in the custody of a common carrier or in a private garage. Otherwise, only burglary by forcible and violent entrance into locked, closed cars, or locked, closed compartments, of which there is visible evidence, is covered, and liability for such losses is limited to 10 percent of the amount of insurance on unscheduled property, and to not more than \$250 in any event.

Covers Against Pickpockets

On one point, the burglary departments have gone a step beyond the coverage now given under inland marine policies. By covering theft and larceny, vandalism and malicious mischief away from the premises, as well as burglary and robbery, with no special restriction on money, other than the \$50 limit, this endorsement covers loss of money by pocket picking, within the limit and subject to the \$10 deductible. This is

the first standard contract under which such coverage has been obtainable. The personal property floater covers money away from the premises against holdup only while the personal effects floater does not cover money at all.

The "theft outside premises endorsement" does not apply to property within that part of any building which is occupied by the assured as a permanent residence and within the part of any building used as a seasonal residence unless actually occupied by a person whose property is covered by the endorsement.

Rates for New Cover

Premium for the theft coverage away from the premises is based upon a flat charge of \$7.50 plus \$5 per \$1,000 of insurance under the endorsement. The endorsement apparently may be issued in connection with the \$500 residence burglary policy, subject to a reduction in amount of insurance on money to \$25, if the insurance under the endorsement is for less than \$1,000. The amount of insurance on money may be increased for an additional premium of \$5 per \$100. In case of cancellation, minimum earned premium is \$10.

The amount of insurance under the "theft outside premises endorsement" need not be the same as under the burglary policy to which it is attached, but it may not be more than this amount. Insurance under the endorsement is extended insurance and does not increase the amount of insurance under the policy. For example, if a residence burglary policy is issued for \$2,000, and is extended to cover \$1,000 on property away from the premises, the assured still has total burglary insurance of \$2,000, of which not more than \$1,000 applies away from the premises.

Lost Choice Risks to Marine

Residence burglary departments have suffered from personal property floater competition, many departments losing their choicest risks to marine departments of affiliated fire companies. In the majority of territories, the total premium for residence burglary, theft outside premises, fire and extended coverage, will work out considerably less than the personal property floater premium and it is expected that many burglary departments will drive hard to recapture risks from the marine companies or marine departments in these territories. The point will undoubtedly be made that this combination of policies will cover all the major hazards of personal property and capital will undoubtedly be made of the fact that loss of money through pocket picking may now be covered under the burglary policy, while it is never covered under either of the common marine forms. Where the assured carries burglary insurance and a personal effects floater, similar competitive efforts will undoubtedly be made. For full coverage under the personal effects floater, covering against all risks, and covering substantially the same property as the new "theft outside premises endorsement," the charge is \$15 for the policy, plus \$1 per \$100 of coverage. Thus, for \$1,000 personal effects coverage, the premium would be \$25, whereas the burglary policy can be endorsed to cover personal property against burglary, robbery, theft, larceny, vandalism and malicious mischief, with a \$10 deductible, for \$12.50. If the personal effects floater is written with a \$25 deductible, the premium would be \$17.50, still considerably more than the premium for the burglary policy.

The minimum premium for personal holdup insurance has been reduced from that for \$1,000 of insurance to that for \$500. This is in line with the authorization.

(CONTINUED ON PAGE 30)

What Insurance Is Contributing to Aid in Recovery

(CONTINUED FROM PAGE 3)

Insurance companies do not lead industry into new fields nor into the expansion of present activities. They research and test the perils and hazards of every business, apprise manufacturer, merchant, shipper and property owner of the safest and most economical way to deal with insurable risks by which their enterprises are beset, and then furnish dependable security against financial loss.

"Insurance is a business of conservation. When calamity, in the form of devastating fire; loss of a valuable cargo at sea or on land; or an unsatisfied judgment for personal injury through accident, would otherwise interrupt or permanently destroy a business; throw men out of work; destroy investors' equities, and necessitate niggardly compromises with creditors, the unfortunate individual or company is saved to the community, and soon restored to usefulness, by the proceeds of insurance paid for out of current earnings.

Criticism of Business

"Criticism is valuable if constructive, and the insurance business is accustomed to criticism, but not callous to it. I am convinced of the sincerity of business in the main, and have much evidence of harm to the growth of business, and consequently to employment and the development of enterprise, resulting directly from the cynicism expressed by those who seek to discredit private enterprise. Men in the insurance business, and in many other business activities, encourage the lack of confidence in all business when they broadcast sweeping condemnation of businesses about which they are almost wholly uninformed.

"Business is charged with being reactionary, opposed to change, and opposed to social reform. We in the insurance business and, I believe, most administrators of successful businesses, favor any forward-looking change when the benefits to be gained by that change outweigh the cost of the change. As an aid to the freer development of enterprise, we must find and employ the means of conveying to the public generally, that this is our attitude toward criticism; this is our attitude toward constructive reform, and these are our reasons for resisting mere change for variety's sake, when the change is expensive and nothing is gained thereby.

Contribution to Recovery

"Insurance can make many contributions to recovery through the development of enterprise. First, we must continue to perform the services and supply the security for which the public has looked, and will look to us. Restoration and growth of American enterprise must proceed from a stable foundation; one free from the vacillation that produces uncertainty.

"Second, we must initiate, propose, work for, and, if necessary, fight for, new legislation, changes in present legislation and governmental regulations, which will give us opportunity to make a fair profit for our shareholders; retain at decent wages those who have devoted years to becoming proficient in their present jobs; and insure the solvency of our companies."

O. J. Arnold's Address

O. J. Arnold, in taking charge of the conference, said there is a potential recovery fund of \$750,000,000 in cash that is idle in the hands of insurance companies which are eager to invest it in American business and American jobs. Another billion dollars in premiums from policyholders and other insurance income become available for investment each year as insurance companies already have a much larger proportion of government bonds in their vaults. Nearly all of this enormous sum also

Give Program of Nebraska Agents

OMAHA—The program for the annual convention of the Nebraska Association of Insurance Agents May 17-18 at North Platte, has been announced.

The executive committee will have a meeting the evening of May 16.

After the preliminaries the next morning, Carroll S. Morrow will give the presidential message; Thomas A. Bryan will report, and the committee chairmen and national councillor will be heard from.

An address will be given on cooperatives.

At the afternoon session there will be a business interruption insurance interview. Wayne C. Meek, Seattle, will talk, representing the National Association of Insurance Agents. R. D. Voss, Omaha, district manager Stock Company Association, will speak.

T. T. Varney, Jr., will serve as toastmaster at the banquet.

The next morning there will be an open forum period for discussion of current insurance matters.

would flow into business channels involving reemployment if sufficient sound business investments were available.

J. S. Kemper's Remarks

J. S. Kemper of Chicago, president of the Lumbermen's Mutual Casualty and vice-president of the United States Chamber, presided over the session when awards were made in the fire waste contest and praised the work of the local chambers of commerce in their fire prevention activities. He stated that when the fire waste contest was started the loss situation was anything but satisfactory. Now, he said, hundreds of communities have been aroused to put their households in shape.

Speaking of taxes, Mr. Kemper said that the tax load is not the worst condition. Every good citizen, he added, is willing to pay his taxes, especially if the money is expended wisely. "The worst of it is," he said, "that we are spending 50 percent more than we are taking in. The lessons of old-fashioned economy seem to have been lost on some of us."

INSURANCE MILITANT

WASHINGTON, D. C.—The insurance industry of the nation has neither faltered in its fight against depression nor failed to plan its contribution to recovery, insurance executives told the leading industrialists this week at the annual meeting of the United States Chamber of Commerce.

Dedicated to consideration of recovery, the program of the meeting was studded with the names of prominent insurance company officials, called to Washington to report on what their industry felt was necessary for conquest of the depression.

Awards Are Made

Awards to the winning cities in the fire waste contest were presented by L. G. Purmort, secretary of the Central Manufacturers Mutual Fire. Awards to the winners in the health contest were made by Lee J. Dougherty, vice-president of the Occidental Life.

The three insurance men on the chamber's board of directors were nominated for reelection by the nominating committee May 2: John C. Harding, Chicago, executive vice-president of the Springfield Fire & Marine's western branch as insurance director; S. F. Clabaugh, Birmingham, representing the fourth district, and O. J. Arnold, president of the Northwestern National Life, representing the eighth district.

Leading the discussions at the general session May 3, M. J. Cleary, president of the Northwestern Mutual Life,

warned the chamber that free enterprise is dependent upon an adequate supply of free-flowing capital and credit.

Change Hospital Benefit Policy

Washington National is changing portions of its hospital benefit contract, effective May 15. A six months waiting period will be required for surgical operations, such as appendicitis, tonsillitis and female conditions. In addition indemnity for appendectomy and

tonsilectomy operations will be reduced from \$100 to \$75.

U. S. Fidelity & Guaranty Iowa Educational Meeting

The United States Fidelity & Guaranty and Fidelity & Guaranty Fire will hold an educational meeting in Des Moines, May 11-12. At the business session the first afternoon, C. Moriarty, manager at Des Moines, will preside.

The NEW

1939

1937



Hartford Accident

and the HARTFORD FIRE INSURANCE CO.

There will be present from the home office Agency Director P. F. Lee, Assistant Agency Directors O. R. Leeds and J. Dillard Hall and Secretary C. J. Fitzpatrick. Vice-president H. F. Ogden of the Fidelity & Guaranty Fire will represent that company. Mr. Hall was formerly manager at Des Moines. There will be a dinner in the evening, the speakers being R. W. Forshay of Anita, Ia., member of the executive committee of the National Association of Insurance Agents and R. H. Bland, chair-

man of the board of the U. S. F. & G. Insurance Commissioner C. R. Fischer and B. C. Hopkins of Des Moines, president Iowa Association of Insurance Agents, will be guests of honor.

At the business meeting the second day, State Agent D. L. Fischer of the Fidelity & Guaranty Fire will speak as will J. I. Bjerke, superintendent of the casualty department; R. G. Wellman, superintendent surety department, and H. C. Chittenden, superintendent claim division.

Employers Flying Squadron Tours Middle West

The U. S. head office "flying squadron" of the Employers group made its annual trip to Chicago. They were: E. C. Stone, United States general manager; R. C. Schwab, assistant to the managers; F. D. Tibbitts, superintendent automobile; E. A. Larner, vice-president Employers Fire; J. H. Fay, superintendent burglary and plate glass;

E. C. Anderson, assistant superintendent bonding; Edward Hanrahan, superintendent accident and health, and F. W. Boyle, assistant superintendent agencies.

Chicago was the second stop in the middle west for the group, Detroit being the first. From Chicago they proceeded to Milwaukee and Minneapolis.

M. O. Ruppert, manager General Insurance Agency, Sand Springs, Okla., has been elected president of the Sand Springs Lions Club.

Way of buying insurance

proves that yesterday's policies may not meet today's requirements

Individuals and businesses are constantly growing, constantly changing, constantly being exposed to new possibilities of financial loss.

It is said that nothing is constant except change. That's particularly true of your insurance requirements. Last year you bought a summer place. You put a new roof on your home. Your son started to play golf. Yesterday you bought a dog. Last week you increased your stock of merchandise for the holiday season. Tomorrow you will buy a new truck. Next week you will sign an important contract.

The NEW Way Keeps Pace

If in the past you have been buying insurance policies on a hit-or-miss basis, you are

* This is called the NEW way because it is new to most buyers of insurance. But as a method of fitting an insurance program to the buyer's needs, it has long been practised by agents of the Hartford.



exposed to serious losses right now. If you have been buying insurance the NEW way, your agent or broker has fitted the policies to

your risks. Furthermore, you have received a report that shows all the risks to which you are exposed.

Just Call Western Union

To get complete information on the NEW way, call Western Union (in Canada, call Canadian National Telegraphs) and ask for the nearest agent.

This NEW national advertising campaign sells the services of the producer to the insuring public. A fresh slant on an old problem.

ident and Indemnity Comp

SOURCE COMPANY write practically every form of insurance except life
Hartford, Connecticut

Again... "NORTH AMERICA"
blazes the way...

with a NEW form
designed for your
clients and prospects
who will visit the Fair

The "North America" Companies' new ALL-IN-ONE TRAVEL POLICY is creating keen interest among Agents and public, because it combines protection against four serious travel hazards in one policy, with one

premium. The many people in your community who will be visiting the New York World's Fair or the San Francisco Exposition this summer, or vacationing elsewhere, are prospects for this new, highly desirable form.

"NORTH AMERICA" Companies' ALL-IN-ONE TRAVEL POLICY

**Covers . . . HOLD-UP, PERSONAL EFFECTS,
PERSONAL ACCIDENT, PERSONAL LIABILITY**

PREMIUM: \$12.50 for one month
\$18.75 for two months

Any form of automobile coverage not already carried may be included.

GET FULL DETAILS—THEN GET THE BUSINESS

NORTH AMERICA COMPANIES

PHILADELPHIA

Insurance Company of North America

The Alliance Insurance Co. of Philadelphia

Central Insurance Co. of Baltimore

Indemnity Insurance Co. of North America

National Security Insurance Co.

Philadelphia Fire and Marine Insurance Co.

write practically every form of
insurance except life



WORKMEN'S COMPENSATION

Georgia Rates Are Reduced 9.2 Percent

ATLANTA — The Georgia insurance commission, on recommendation of the industrial board, has ordered a 9.2 percent reduction in workmen's compensation rates in Georgia, retroactive to March 31.

A. J. Hartley, secretary-treasurer of the industrial board, said the decrease would result in a saving to Georgia employers of about \$184,000 a year. The board's administrative expense was fixed at 2.7 percent, instead of 3.1 percent. The figure is the lowest in 10 years.

Secretary Hartley says that the reduction will more than make up for the 2.9 percent increase in rates made necessary by amendments to the compensation act in 1937, by which sick benefits were increased from \$15 to \$20 per week and medical benefits from \$100 to \$500. The board has taken a definite position guaranteeing employers and employees full representation in determining rates.

Liberty Mutual Aggressive in Compensation Field

It is very apparent in the workmen's compensation field and also in some of the other casualty lines that the Liberty Mutual is making a tremendous drive for business. It has put out a number of salaried solicitors and it is making very liberal rates for business that it desires. Last year the Liberty Mutual's total premiums reached \$40,587,541. That, however, was a decrease from the year before when the premiums were \$41,234,762. However, it has made marked increases in recent years, because in 1936 its premiums were \$33,647,897.

Its workmen's compensation premiums last year were \$24,239,377 with a loss ratio of 51 percent. The year before it had \$26,108,272 but in 1936 its premiums were \$20,549,811. In 1936 and 1937 its claim ratio was 47 percent. Workmen's compensation is by all odds its main line. The next highest account is automobile liability with premiums of \$9,076,770. Competitors run into the Liberty Mutual more than any other company because of the number of people that it has out on the firing line and its extreme aggressiveness. The American Mutual Liability of Boston wrote in workmen's compensation last year \$17,330,344 as compared with \$21,722,031 the year previous.

Establish Arkansas Bureau

LITTLE ROCK, ARK.—Establishment of an Arkansas compensation rating bureau is being aided by representatives of the National Council on Compensation Insurance. The new act is effective June 8 unless delayed by completion of referendum petitions. In event the petitions are completed, Governor Bailey will at once call a special election rather than permit delay until the next general election in November, 1940.

Representatives of the National Council conferred with Commissioner Harrison and Fred A. Donham, chairman of the workmen's compensation commission. The bureau's work will be to classify risks and file schedules with the department of insurance.

Statements that coal mine operators are opposed to workmen's compensation in Arkansas are denied by spokesmen for this group. Reports at Little Rock indicate that petitions for a referendum originated in western Arkansas.

Michigan—John Thorpe, Detroit, has been named commissioner of labor and industry.

Back Revision Acts in Pennsylvania

HARRISBURG, PA.—Occupational disease and disability compensation will be revised in Pennsylvania by the state legislature, according to Henry Wilson, chairman of the house committee on workmen's compensation, who has announced that proposals making far-reaching changes in payment rates will be supported by the majority Republican bloc in both the house and senate.

An occupational disease fund measure being prepared for the house by the compensation committee, would create a separate fund within the workmen's compensation system and appropriate \$100,000 out of which the commonwealth would pay half of all claims between 1939 and 1941. After 1941 a graduated scale of payments would increase the employer's amount paid until he would be paying all claims by 1949.

Another measure to be reported from the compensation committee and to be supported by the majority party will increase weekly total disability payments from \$15 to \$18 maximum. Partial disability payments would be raised from a minimum of \$7 weekly to \$9 weekly. Total allowable compensation, because of increased payments would be increased from \$6,500 to \$7,500 for complete disability, although the 500-week maximum payment period would remain the same.

Representative Wilson said the projected amendments would clear up many disputed points in the present compensation law and eliminate much litigation.

Legislation prohibiting modification, suspension, reinstatement or termination of agreements for compensation entered into after a year from date of accident, has been introduced by Senator Dietrick.

CHANGES

Churchman to R. B. Jones & Sons

KANSAS CITY—Jerry Churchman, who has been in the Travelers office at Chicago the past two years, has joined the R. B. Jones & Sons agency here as manager of the liability department. He succeeds Fred W. McFarland, who is going with the Harry Koch agency at Omaha.

E. A. Aleckson Makes Change

E. A. Aleckson, who has been connected with the head office of Casualty Mutual, has now become insurance manager of Ralph W. Applegate & Co., real estate and real estate management firm, 231 South La Salle street, Chicago. Mr. Applegate was recently elected president of Casualty Mutual. Mr. Aleckson was underwriting manager for Autoist Mutual, the company that was reorganized as Casualty Mutual. After the reorganization, he

Executive Wanted

A large midwestern automobile insurance company wants an experienced executive not over 40 years of age. Must have experience in executive capacity, supervising claims, agency development and casualty operation. Must know automobile insurance underwriting. In replying give full details of experience, positions held, age and education. References will not be contacted without permission.

ADDRESS J-94,
THE NATIONAL UNDERWRITER
175 W. JACKSON BLVD.
CHICAGO

looked after the runoff of the automobile business and operated as an agent.

C. P. Dudley with Western Group

Chester P. Dudley has joined Western Casualty & Surety and Western Fire to take charge of a special development program. His headquarters will be in the executive offices in Kansas City. A graduate of Dartmouth College, Mr. Dudley has been for several years manager of the Kansas City and Omaha offices of Blyth & Co. of New York. He has an extensive acquaintance among middle western bankers.

Moore Made Ohio Adjuster

The Wolverine of Lansing, Mich., has appointed H. D. Moore, adjuster for eastern Ohio with headquarters in the Walpark building, Mansfield, O. He has been with the Wolverine for eight years, working in the home office.

Dana Norton Claims Manager

Dana Norton has become Chicago claims manager of Indemnity of North America, succeeding Ross Grant, who has resigned. Mr. Norton heretofore has been the assistant manager.

Smith to Travelers Indemnity

J. C. Smith, for 20 years with the American Surety and recently manager of its Detroit office, will join the home office of the Travelers Indemnity in June.

Dorenkott to General Agency

Philip J. Dorenkott, for the past 20 years connected with the Cleveland office of Fidelity & Casualty, has resigned to become casualty special agent for the Richey-Barrett general agency of Cleveland. He will engage in the development of casualty sub-agents.

Hoge Is Named Manager

KANSAS CITY—Charles E. Hoge, assistant manager of the Fidelity & Deposit of Maryland here four years, has been made manager. Baxter C. Brown is resident vice-president. Mr. Hoge has been with the company about 10 years, and was formerly assistant manager at Louisville, Ky.

San Francisco offices of the Preferred Accident have been moved to larger quarters at 340 Pine street. For many years the offices were in the Mills building.

Rev. C. A. Hoy, pastor of the East Side Baptist Church at Evansville, Ind., for several years, has resigned to become district manager of the State Farm companies in Evansville.

Limits Suits Against Bridge Body

NEW YORK—Governor Lehman has signed the measure outlining the procedure to be followed in damage actions against the Triborough Bridge Authority. The measure requires that any person suing the Authority for damages to property or personal injuries or death, stipulate in the complaint that at least 30 days had elapsed since a demand was made for an adjustment or payment. It further stipulates that no action can be started more than a year after the accrual of the cause, unless notice shall have been filed with the secretary of the Authority.

A GOOD PRODUCTION MAN WANTED

An opportunity for a good production man with one of the largest insurance organizations in the Middle West. Good opening for a man who has a good production record, one who possesses sales ability and is willing to work. The opening is in the City of Chicago. We are not interested in any order-takers. Must have a thorough knowledge of all branches of insurance, and have a record to stand on. Reply by letter only, giving history and past experience. All communications will be regarded as confidential.

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ACCIDENT AND HEALTH

H. & A. Conference Legal Section Program Announced

The legal section of the Health & Accident Underwriters Conference will hold its meeting on the final day of the convention in Boston, May 23-25, in charge of V. J. Skutt, Mutual Benefit Health & Accident. John W. Cronin of Boston, vice-chairman of the insurance section of the American Bar Association, will extend greetings. The principal address will be by Mark E. Archer, general counsel Empire Life & Accident, Indianapolis, on "Liability of a company for unusual acts of an agent in transaction of business." It will be discussed by Edward Hughes, accident and health claim department Massachusetts Bonding, followed by a general discussion.

Entertainment Features

Many interesting entertainment features have been arranged by Chester W. McNeill, Massachusetts Accident, and his fellow Massachusetts members of the special convention committee and E. G. Trimble, Jr., Employers Reinsur-

ance, chairman of the conference entertainment committee.

Monday morning, May 22, private cars furnished by Boston companies will begin to transport golfers to the country club for luncheon and the annual golf tournament that afternoon. The tournament will be followed by dinner at the country club. John M. Powell, Loyal Protective Life, is in charge of the arrangements for golf. There will be no business session Tuesday afternoon, and all members and their wives are invited to participate in a tour of various historical and scenic points in the vicinity of Boston. The trip will end late in the afternoon with a real New England clam bake. On the grounds there are facilities for tennis, horseshoe pitching, baseball, handball and other sports. If there should be bad weather, there is a pavilion in which as many as 500 people can be housed, with kitchen facilities and other essentials, if an indoor dinner should be necessary.

Before the banquet Wednesday evening, a reception and cocktail hour will be provided by the New England companies. Following this will be the an-

nual banquet. Golf prizes will be presented and movies of the golf tournament, taken on Monday, will be shown. There will be no speeches.

Industrial Insurers Meeting

Louis Phillips, editor of the "American Insurer" of New Orleans, one of the founders of the Industrial Insurers Conference will give the welcome at its annual meeting at the Edgewater Gulf Hotel, Edgewater, Miss., May 18-20. Frank P. Samford, head of the Liberty National Life, is president. C. A. Craig, chairman of the board National Life & Accident, will preside at the past presidents' dinner. P. M. Estes of the Life & Casualty of Nashville is head of the Legal Section. E. W. Craig, National Life & Accident, will talk on "Company Investments."

New Hospital Expense Policy

The United Casualty has issued a new hospital expense policy. It now provides 31 days hospitalization at \$5 per day, \$10 for operating room or delivery room, \$5 each for three x-rays, \$5 for ambulance and \$5 per day for 10 days for maternity cases. The waiting period in case of hernia, childbirth, etc., has been reduced from 12 months to 10 months. Premium for adults is 75 cents

BAMBOOZLE

BAMBOOZLE. To cheat by cunning, or daze with tricks. It is a Chinese and gypsy word, meaning to dress a man in bamboos to teach him swimming. Like the bladders used for the same purpose by little wanton boys, the apparatus is dangerous and deceitful.

—Dictionary of Phrase and Fable, Brewer.

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per month or \$9 annually; for children, one month to 15 years, 50 cents monthly, \$6 annual. Benefits for surgical operations or physicians' fees can be added for an additional premium of 50 cents per month. Children under 16 will not be covered for tonsil or adenoid operations.

Chicago Hospital Plan Change

Perry Addleman, executive secretary of the Chicago Plan for Hospital Care since its inception, is no longer with that organization. Frank A. Deniston, vice-president Business Research Corporation, is temporarily in charge of the office pending the selection of a new executive secretary.

Extensive changes are being made in the accounting system and personnel, intended to bring about greater efficiency in operation. There have been complaints that subscribers paying by check did not get back their canceled checks for weeks or months, that receipts have been sent out to some who have dropped out of the plan and that others who paid their premiums regularly have failed to receive receipts.

Many Accident-Health Claims

Accident and health claim departments have had a busy time this spring. One large middle western company reports that the number of claims received for the first four months of 1939 was the largest for any similar period in its history. The total volume, however, was not unusually heavy, as its loss ratio for the period was exactly the same as last year.

Most of the claims, of course, were on the health side, resulting from the prevalence of influenza this spring, but the greater part of them were of short duration. However, automobile death claims showed a considerable increase, in spite of the fact that the National Safety Council and other organizations reported decreases in the total number of automobile deaths in both 1938 and

Traces Developments in Hospitalization Field

New developments in hospitalization contracts were explained by Thomas J. Byrne, Jr., of

Byrne, Byrne & Hahn, Chicago agency, before the Polish Medical Society of Chicago. The insurance companies' new hospitalization expense policies have now been developed so that they provide fairly complete coverage for all expense other than the loss of time arising out of disability, whether caused by accident or sickness. He compared the benefits under the nonprofit hospital plans with those offered by the insurance companies.

In policies providing payment for surgical fees and doctors' bills, the assured may assign his benefits under the policy to his doctor, said Mr. Byrne. In cases where collection of the fee is doubtful, Mr. Byrne suggested that the doctor might inquire if the patient has such a policy and suggest that he assign it to him.

1937. Apparently the insured mortality from automobiles is greater than for the general population.

New Wisconsin Group A. & H. Law

MADISON, WIS.—Governor Heil has signed the bill providing for group accident and health insurance. Although group insurance of this kind has been written in Wisconsin previously, the new statute establishes specific requirements and places it under the regulation

of the state insurance department. It provides a master policy may be written on not less than 25 employees of a business or organization by a licensed accident and health company after the policy form has been approved by the department. The act also provides family expense accident and health insurance covering members of any one family including husband, wife and children written under a master policy applied for by the head of the family.

Address Adult Education Class

LOS ANGELES — Walter E. Mast, accident and health manager Continental Casualty, addressed the adult education class of the Los Angeles board of education on "Why Write Accident and Health Insurance?"

W. E. Leiby, state agent Massachusetts Indemnity, on the same evening gave a word picture of London Lloyds, illustrated by photos.

Plan Illinois Mutual Convention

PEORIA, ILL.—Special agents for the Illinois Mutual Casualty met at the home offices here with President E. A. McCord to complete plans for the company's annual agents' session, to be held in Peoria May 15-16.

Has 55th Anniversary Campaign

The Standard Accident is staging a 55th anniversary accident insurance campaign in May with prizes for agents producing business. As part of its campaign the Standard Accident has put out a new "55th anniversary" accident policy, a low priced form, which covers dismemberment of all kinds but has no death indemnity, no partial disability, double indemnity or other "frills." Air travel is covered. For \$5,000 capital sum (dismemberment) and \$100 per month, the annual premium for men, 18-64, class A, is \$10 and for women, 18-54, \$16. Blanket medical reimbursement of \$500 may be added at an annual premium of \$11 for men and \$11.05 for

women, and \$1 for each additional \$100, with a limit of \$2,000.

Solicits Questions for Discussion

The program committee of the International Claim Association has solicited members to submit questions, upon which they are seeking enlightenment, for discussion at the September meeting of the association. These questions will be studied by the program committee and those that seem to possess general interest will be assigned to speakers. The deadline for submitting such questions is June 1. Godfrey M. Day of Connecticut General Life, is chairman of the program committee. The meeting is to be held at the Westchester Country Club, Rye,

Complain of Unlicensed Sales

LINCOLN, NEB.—Complaints have been made to the insurance department that Ida E. Michener and E. R. Michener of Council Bluffs, agents of the Colonial Mutual Benefit Association of Wilmington, Del., have been selling health and accident policies on the assessment plan in Nebraska without agents' licenses or without the insurer being licensed. The Iowa department states it has no license in that state.

Warren Actuarial Speaker

At the quarterly meeting of the Actuarial Club of Boston May 5, C. S. Warren, secretary Massachusetts Rating & Inspection Bureau, will discuss "The Fallacy of Uniform Automobile Liability Insurance Rates."

Reinsurers Honor Duncan Reid

NEW YORK—At a special meeting of the Workmen's Compensation Reinsurance Bureau Tuesday A. Duncan Reid was presented with a glass and silver center piece and illuminated scroll signed by chief executives of member companies. Mr. Reid served as trustee of the bureau since its inception in 1912 and as chairman for the past 13 years.

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Companies Win Adjuster Case

(CONTINUED FROM PAGE 17)

of lay adjusters to appear before industrial commissions has been challenged in many places. At present there is an action involving this question in South Carolina.

The contempt actions that were brought by Boyle Clark against certain individuals have been pending in the lower courts until the state supreme court should render its decision.

"We cannot see any benefit to the public in holding that such work must be done by lawyers," the Missouri supreme court declared at one point.

"After all, the question of the amount of damage to an automobile, a plate glass window, a boiler or other physical properties is not a question for legal experts, but a question for mechanical experts in the particular line, and there is no reason why a claim investigator or adjuster should be denied the right to gather information on these questions from the proper sources, from his own judgment and report it to his company whether the damage is disputed or not."

Sets Up 10 Point Code

The supreme court decision laid down a new 10-point code defining the duties which lay employees may perform without being guilty of illegal practice of law. The opinion set aside eight of the 10 findings of the Boone county court as to what acts constitute illegal practice of law.

The efforts of the advisory committee to sustain the lower court's ruling were supplemented by briefs on behalf of the bar associations of Alabama, California, Mississippi, Birmingham, New Orleans and Milwaukee. The insurance companies were aided by the American Federation of Labor, American Transit Association, Association of Casualty & Surety Executives.

The 10 new rules of the supreme court are:

1. The relationship between a risk firm and its policyholder is that of insurer and insured, and is not that of attorney and client.
2. A lay investigator for a casualty company may investigate the facts and circumstances of a claim and report them to his employer.
3. When a settlement is negotiated by a lay investigator and he fills in a printed form, prepared by counsel for his company or supplied by the workmen's compensation commission or other public authority, a release from further claim, such act is not the practice of law.

Opinion of Counsel

4. A lay adjuster may state the opinion of his company's counsel to the insured upon any claim, but he shall not state his own opinion as to the legal rights of the company, the insured or the claimant.
5. He may state the monetary extent of the liability of his employer or the insured, but shall not pass on any question of law or legal liability.
6. He may state the opinion of his company's counsel on any question of liability upon a given claim in a report to his employer.
7. A lay adjuster may participate in any informal conference of the workmen's compensation commission held to bring about an amicable settlement of a claim.
8. A lay adjuster, or lay claims manager, may determine for his employer the pecuniary limit his employer will offer or pay in a settlement.
9. He may exercise his judgment as to which of several forms of release, prepared by counsel for his company, he will use in a settlement.
10. The act of an insurance company, in accordance with the terms of its policy, in interceding by an attorney at law and maintaining a defense in behalf of insured when a claim or suit is

brought, does not constitute practice of law, even though the amount sued for exceeds the amount of insurance coverage.

Rejected Injunctive Decree

The supreme court swept aside list of six "don'ts" for laymen in injunction decree of the lower tribunal. These were:

1. Adjustment and settlement of claims, and negotiations with claimants.
2. Preparation of releases and contracts for settlement.
3. Advising policyholders of their legal rights.
4. Appearance before the workmen's compensation commission at formal and informal hearings.
5. Determination of whether or not a particular insurance contract covers a particular casualty.
6. Determination of the amount and nature of the legal liability of the company or the insured.

The lower court had sought to confine the work of lay adjusters to following:

1. Detection work, such as finding witnesses, taking photographs and obtaining statements.
2. Appraisal of damages to physical property where liability is undisputed.
3. Procuring execution of prepared instruments where the lay employee ex-

ercises no discretion in the selection and preparation, and payments of claims.

4. Determination or recommendations of the amount to be set up as a reserve to pay various claims.

MILWAUKEE ADJUSTER LOSES

MILWAUKEE.—Circuit Judge Breidenbach has held that Abraham M. Rice, independent adjuster of Milwaukee, was engaged in unauthorized practice of law. The action was brought by the Milwaukee Junior Bar Association to restrain Rice from engaging in certain specific practices. The judge held that Rice had engaged in unauthorized law practice by appearing in a representative capacity before a justice of the peace, advising settlement or rejection of claims, advising others of their rights, negotiating settlements, being an intermediary between an attorney and third person, and selecting and preparing releases or agreements.

On the other hand, the court held that Rice was within his rights in obtaining evidence, taking photographs, obtaining statements from prospective witnesses or appraising property.

Employers Liability in Ohio

COLUMBUS.—The attorney-general of Ohio has ruled that a casualty company incorporated in another state licensed in Ohio may write insurance

against claims arising from accidents to employees of the assured caused by the ownership, maintenance or use of the assured's premises. The policy must contain a provision that it becomes void if the assured shall have three or more regular employees in the same business and the company must be licensed to write workmen's compensation and employers liability insurance in its home state. The Ohio monopolistic compensation law applies to every employer with three or more employees. This ruling, which was made at the request of Insurance Superintendent Lloyd, permits the writing of employers liability insurance or voluntary compensation insurance for employers of domestic help and others with less than three employees.

John B. Merrigan, chief counterman in the **Employers Liability** New England department, retired on pension at the age of 69. He went with the company in 1886, shortly after it was admitted to the United States. Robert B. Martin, for many years the man who handled the personal business of Samuel Appleton, who for some time was special agent in Worcester territory and more recently specialized in the general liability lines, also retired. He has been with the New England department since 1896.

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FIDELITY AND SURETY

Illinois Decision Relieves Sureties

Surety companies were much interested in the suit that was brought to recover from State Auditor Barrett and his predecessor in connection with the liquidation of the Ayres National Bank of Jacksonville, Ill., which was recently decided by the Illinois supreme court in a way that gives satisfaction to the surety.

American Legion Post No. 279 and others, as creditors of the Ayres Bank, filed suit against Barrett and Martin, former state treasurer, receiver of the bank and sureties on the bond of Barrett and Martin to recover for the benefit of creditors the proceeds of certain securities that were deposited with Barrett as state treasurer as a pledge for state funds deposited with the Ayres bank by him and later liquidated by Barrett and Martin.

The complaint set up the theory that the bank had no power to pledge assets to secure deposits of state funds and that the state treasurers in disposing of that collateral and applying it to the state claim, were guilty of conversion.

The 1919 deposit act of Illinois requires the state treasurer to exact a pledge of security for state deposits. However, the plaintiff contended that this is an amendment to the banking act which was never submitted to a vote of the people, as required by the constitution, and that it constituted an attempted limitation on the powers of the state treasurer, a constitutional officer.

The supreme court stated that the state has the sovereign right of priority for the repayment of state funds, amounting to an equitable lien on all assets of its debtors, which right existed before any banking act came into existence and which the banking act has not taken away nor in any way abrogated. The provision requiring a pledge of security for deposits of state funds is but a method of doing what the state has always had the power to do. The 1919 act in no wise enlarges banking powers nor amends the banking act as to such powers. Nor is the deposit act invalid as limiting the powers of the state treasurer. It merely prescribes methods of preserving the equitable lien of the state.

There is no charge that the securities were sacrificed or disposed of for less than their market value.

Depository Premiums Half Million

NEW YORK—In the period prior to 1930, surety companies had an aggregate premium income of approximately \$5,000,000 annually from their depository bond writings. Several companies had premiums of about \$700,000. When the 1929 crash occurred, claims hit the surety companies with terrific force, the results of which were felt for years. Today, with the Federal Deposit Insurance Corporation insuring bank deposits, the depository bond premiums of private carriers are just about \$500,000, and the business taken is largely as an accommodation to agents having a liberal amount of collateral lines to offer.

Review California Legislation

LOS ANGELES—The Surety Underwriters Association of Los Angeles heard Attorney Newton Anderson discuss bills now before the legislature on guarantor and surety changes, accumulative liability for state employees and one requiring contractors to give bond before they can secure a license from the state. This last measure is a particularly bad one from an insurance company standpoint. Manager Rollo H. Fay of the Pacific department of the National Bureau of Casualty & Surety Underwriters was a guest.

Pay & Performance Bonds Are Needed

NEW YORK—Five billion dollars, it is conservatively estimated, is spent for private building construction in the United States annually, although the percentage of contracts covered under pay and performance bonds is almost negligible. Appreciating the possibilities for business-getting afforded if a form of bond were devised that would meet the objection offered to the types now in use, a committee of contract bond underwriters is seeking to draft a form, and from the different sketches to be submitted at an early meeting, will prepare a uniform contract which will then be offered for review to architects and contractors, and their suggestions as to its improvement invited. Despite the lack of success that has attended previous efforts to popularize contract bonds with private builders in the past,

underwriters feel that with a modernized type of bond and the proper approach, the interest of those now indifferent to this type of protection could be enlisted.

Missouri Get-Together June 6

KANSAS CITY—The annual get-together party of the Kansas City and St. Louis surety managers will be held here June 6. The affair, which usually consists of a golf tournament and dinner, has been changed to an annual instead of a semi-annual basis.

F. C. Brinkman, National Surety, is general chairman. On arrangements he will be assisted by P. H. Hawes, Central Surety.

C. F. Clark Heads Minnesota Group

C. F. Clark, Fred L. Gray Co., has been elected president of the Surety Association of Minnesota; J. W. Phillips, vice-president, Aetna Casualty; C. B. Coleman, Fidelity & Deposit, secretary-treasurer. The above named officers with J. D. Twohig, U. S. F. & G., and W. C. Owens, Fidelity & Casualty, make up the executive committee.

NEWS OF THE CASUALTY COMPANIES

Increases Reported by Central Surety

KANSAS CITY—In its first quarter statement the Central Surety reports net premiums after reinsurance of \$1,057,226, a \$43,366 increase. Surplus increased \$79,398 for the quarter, exclusive of \$40,000 of dividends paid, which was \$2,500 more than a year ago. Statutory underwriting profit was \$78,339, up \$56,444. Net investment earnings totaled \$43,218, up \$26,722.

In the year ending March 31, admitted assets increased \$904,140 to \$7,285,701. Total reserves were up \$489,002 to \$4,612,093; surplus gained \$415,137 to \$1,673,607; premium reserves grew \$241,744 to \$1,837,759, and claim reserves \$188,049 to \$2,160,248. Cash and bonds totaled \$5,601,498, compared with \$4,063,108 a year ago.

The Central Surety Fire, wholly owned subsidiary, had net premiums in the first quarter (after reinsurance) of \$40,509, compared with \$27,094 a year ago. Admitted assets were \$610,101 on March 31, up \$53,857 from March 31, 1938. Reserves were up \$35,402 to \$99,959; surplus was up \$18,454 to \$260,141.

Maryland Commissioner Takes Company Position

Wesley S. Hanna, who has served as Maryland insurance commissioner for the past four years, has been elected president of National Underwriting Corporation, which is attorney in fact for the recently organized National Lloyds of Baltimore.

At the same time, National Lloyds announces an increase in its underwriting capital from \$125,000 to \$250,000. The announcement states that arrangements have been made to provide further underwriting capital up to \$1,000,000, as the funds may be needed for the development of business. Kirk A. Landon is general manager of National Lloyds.

Mr. Hanna served as chairman of the casualty and surety committee of the National Association of Insurance Commissioners, and at various times was on the accident and health, social insurance, taxation, credentials and examinations committees. He sponsored considerable legislation in Maryland, particularly in connection with industrial insurance.

Mr. Hanna was advised some time ago after the Democratic victory in Maryland that he would not be continued in office.

Prior to becoming insurance commis-

sioner four years ago he served as deputy comptroller of Baltimore and was for 16 years at times in complete charge of the complicated municipal financial system.

Much interest has been manifested in insurance circles whether the present deputy commissioner will be retained or whether he also will be superseded. The appointment of a commissioner to succeed Mr. Hanna is expected at any time.

Parmelee Work Is Consolidated

The Chicago claim departments of the Checker and Yellow Cab Companies have now been closed and the work is being handled by General Transportation Casualty, the New York concern that was formed by the Checker-Yellow-Parmelee interests. The headquarters are 101 South Racine avenue, Chicago. S. M. Rattner is vice-president in charge of Illinois operations. General Transportation Casualty has joined the Mutual Information Bureau and the Casualty Adjusters Association of Chicago.

Issues Quarterly Statement

American Surety has issued its statement as of March 31, 1939, showing an increase in surplus for the first quarter of \$92,312, the figure now being \$5,292,834.

Premium income for the first quarter was \$121,951 greater than for the parallel period the previous year. Income from investments \$22,415. Net losses incurred increased \$33,083. Assets were \$26,323,851.

Connecticut Plate Glass Bill

The Connecticut house insurance committee has reported favorably on the bill to amend the charter of Connecticut Plate Glass to permit it to write fire and casualty lines and to increase its authorized capital to \$500,000 and to provide for minimum capital of \$250,000 and net surplus of like amount. The present capital is \$50,000.

Mass. Bonding New Coast Building

SAN FRANCISCO—The Massachusetts Bonding moved into its new building here May 1. It is located at 440 Montgomery street, adjoining the new home office of the Pacific National. Manager Henry G. Sheehy headed the reception line as hundreds of friends and associates called to inspect the new quarters.

New Coast Company Selling Stock

SAN FRANCISCO—The Safety Insurance & Indemnity of San Francisco

has been authorized to sell 30,000 shares of accumulative preferred stock, par \$10, at \$8.50 per share; 30,000 shares of Class A common stock, par \$1, at \$10 per share to net \$9.85 per share, the balance to be charged to organization and promotion expense; and 30,000 shares of Class B common stock, par \$1, at \$1 per share to net 85 cents per share, the balance to be charged to organization and promotion expense.

NEWS BRIEFS

The Hawkeye Casualty of Des Moines will pay a quarterly dividend of 15 cents a share. It reports a 19 percent increase in business for the first quarter.

The Peerless Casualty of Keene, N. H., has applied for admission to California.

The Manufacturers Casualty of Philadelphia has applied for admission to Maine, New Hampshire and Vermont.

ASSOCIATIONS

Casualty & Surety Club at Its Spring Dinner

NEW YORK—The annual spring dinner of the Casualty & Surety Club of New York at the Hotel Pennsylvania was in keeping with previous gatherings, which means it was thoroughly enjoyable. Following the dinner, entertainment in the form of a series of boxing bouts and a couple of wrestling matches was provided. As president H. A. Kearney, Hartford Accident, presided, and introduced the following past presidents: Edson S. Lott, United States Casualty; A. Duncan Reid, Globe Indemnity; W. B. Mann, formerly agency superintendent Ocean Accident; J. J. King, Hooper-Holmes Bureau; A. G. Oakley, United States Fidelity & Guaranty, and F. J. O'Neill, Royal Indemnity. Special guests included: Deputy Superintendent Edward McLoughlin of the N. Y. department; C. W. Fairchild, general manager Association of Casualty & Surety Executives; M. W. Lewis, president Towner Rating Bureau, and Kenneth Spencer, president Globe Indemnity.

Seiler Heads N. Y. Auto Group

F. A. Seiler, American Surety, was elected chairman at the annual meeting of the Automobile Casualty Underwriters Association of New York. Vice-chairman is Ralph Newman, United States Casualty, and secretary, T. D. Miller, Jr., Chubb & Son. The guest speaker was Ralph H. Blanchard, insurance professor at Columbia University. The annual outing will be at the Carmel Country Club in June.

Spotlike to Speak in Cleveland

CLEVELAND—The Casualty Underwriters Association of Cleveland, with other insurance organizations cooperating, will hear A. E. Spotlike, manager automobile department National Bureau of Casualty & Surety Underwriters, at a noon meeting May 9. He will speak on "Automobile Liability Rates and How They Are Made." In view of the special timeliness of the subject, a large attendance is expected.

Municipal Judge Is Speaker

LOS ANGELES—At a meeting of the Casualty Insurance Adjusters Association of Southern California, Municipal Judge C. J. Ballreich spoke on the trial of automobile accident cases.

President Cleves acquainted the members with the latest moves in the Birmingham, Ala., case.

Commissioner Des Moines Guest

DES MOINES—Commissioner Fischer will be a guest at the luncheon of the Des Moines Casualty & Surety Club May 8. H. B. White of the Haver-Powers law office explained at the last meeting casualty legislation passed by the Iowa legislature.

NEBRASKA CASUALTY RETURNS

The Nebraska stock companies writing accident and casualty business had premiums in their state last year \$178,896 and losses \$61,408, the leader being the Pioneer of Lincoln with \$82,703 premiums and \$23,198 losses. The United of Lincoln had \$59,562 premiums and \$15,390 losses.

The stock companies of other states had \$5,653,241 premiums and \$2,426,417 losses. The leaders were as follows:

	Premiums	Losses
Aetna Casualty	\$ 73,118	\$ 10,974
American Auto.	59,694	22,909
Amer. Employers	69,209	38,599
American Surety	96,523	42,394
Central Surety	65,033	18,974
Continental Cas.	149,339	57,688
Employers Liab.	289,564	140,606
European General ...	74,197	32,806
Fid. & Casualty	149,607	61,081
Fid. & Deposit	114,007	14,492
Fireman's Fund		
Indem.	53,191	29,785
General Accident ..	162,154	65,537
Globe Indemnity	131,399	57,241
General Reins.	60,881	6,898
Hartf. Acci. & Ind.	438,255	170,787
London Guarantee ..	181,877	100,232
Maryland Cas.	132,435	46,652
Mass. Bonding	110,111	64,164
Mass. Protective ...	75,229	34,146
National Surety ...	141,534	46,365
New Amsterdam		
Cas.	175,475	64,149
Ocean Accident	82,885	58,091
Pacific Mutual Life ..	76,482	44,504
St. Paul-Merc. Ind. ...	133,197	40,251
Standard Acci.	108,749	46,482
Sun Indemnity	83,531	55,773
Travelers Indem.	73,531	17,224

Travelers	424,239	177,600
U. S. F. & G.	308,213	93,235
Wash. National	66,520	29,077
Western Cas.	88,159	40,913
Zurich	66,778	49,895

Mutual Casualty Returns

The Nebraska mutual casualty companies wrote \$81,585 in premiums and \$37,848 losses, the leader being the Woodmen Accident of Lincoln, \$41,804 premiums and \$23,698 losses. The outside mutuals wrote \$1,592,995 premiums and had \$659,661 losses. The leaders were as follows:

	Premiums	Losses
American Mut.	\$ 63,515	\$ 27,060
Ben. As. R. R. Emp.	60,828	40,394
Employers Mut., Ia.	418,960	177,630
Hardware Mut., Wis.	88,712	32,195
Lumbermen's Mut.	129,614	38,901
State Farm Mut.	485,344	211,384
Travelers Mutual.	54,472	13,708

Assessment Mutuals

The assessment casualty mutual leaders were as follows:

	Premiums	Losses
Cent. States H. & A. \$	68,846	\$ 16,380
Clergy Cas.	78,369	63,882
Mutual Ben. H. & A.	420,787	203,931
Physicians Cas.	356,292	237,998
Physicians Health ..	456,644	355,982
Travelers Health ..	518,957	331,563
World, Neb.	261,022	92,727

Of the reciprocals writing business in Nebraska, the leader was the State Automobile of Iowa, with \$315,668 and losses \$103,981.

Benefit and the way the stock is owned is an asset to the association, according to the answer.

In answer to the charge that the officers of Mutual Benefit H. & A. receive excessive salaries, the answer states that these officers developed Mutual Benefit H. & A. from small beginnings to its present extensive proportions. These salaries were legally authorized, according to the answer, at annual meetings of the association where the required number of policyholders were represented.

Best Company's Directory

The A. M. Best Company, 75 Fulton street, New York, has issued "Best's Directory of Adjusters & Investigators," being approved as the official directory of the National Association of Independent Adjusters. It gives the names of independent adjusters and investigators who have been found experienced and capable. The book shows the class of business in which each adjuster is most experienced. There is also a complete list of claim department managers of insurance companies both in home and branch offices.

The Employers Mutual Liability of Wausau, Wis., has been licensed in Ohio, with Fred Jaeger of Columbus as representative.

Insurance Committee Head Finally Gets a Headache

BOSTON—Commissioner Harrington's bill to require mutual casualty companies to put up a guaranty capital of \$200,000 resulted in an exciting scene on the floor of the Massachusetts senate ending with the resignation of Senator Nicholson as chairman of the insurance committee.

At the session when the senate first considered the bill, Senator Nicholson offered and secured adoption of an amendment exempting already incorporated companies, which affected the Myles Standish Mutual Casualty which is chartered but not operating. The senate adopted the amendment and then killed the bill. The following day, Senator Oppenheimer of the insurance committee secured reconsideration of the vote by which the bill was killed, and the senate killed the amendment and passed the bill.

Senator Nicholson rose and declared that if the bill was passed without the amendment he would not continue as chairman.

"You can have my job," Nicholson said. "You are welcome to it. I am through. It's nothing but a headache, anyway."

CASUALTY PERSONALS

The New York State Bureau of Motor Vehicles has requested the United States Fidelity & Guaranty to supply it with some 20,000 copies of the leaflet, "Pause—Think—Act." This was put out by J. Dillard Hall, assistant director of agencies, and used in a number of states. He gets the information from each state localized showing the number of persons killed and injured, the type of accident, causes, accidents to pedestrians and causes, condition of pedestrian, condition of vehicles involved in accidents, motorists' violation, etc. This is information that is often sought. The Motor Vehicle Bureau distributes these pamphlets through its own organization.

F. C. Elliott, assistant manager of the Boston office of the Aetna Casualty, was given a testimonial dinner by fellow employees and friends to mark his 30th year with the company. He served in the San Francisco office before going to Boston in 1918. Leslie Madden was toastmaster. Mr. Elliott was presented a set of matched golf clubs and a zipper golf bag. E. C. Knapp, agency secretary, represented the home office.

R. D. Searles, Chicago manager of Fidelity & Deposit, returned this week from a 7,000 mile motor trip to the Pacific Coast.

Oscar Steinkemper of Chicago died last week at the age of 51. He was manager of the news travel accident division of the Federal Life of that city. He was largely responsible for the great development of group insurance for newspaper subscribers. The Chicago "Tribune" was one of the first to adopt his plan and more than 500,000 of its subscribers have accident policies in the

Federal. His daughter, Mrs. Richard Pfefferle, at the time of his death was on her honeymoon trip in Mexico. Mr. Steinkemper died of a heart attack in Peoria.

Secretaries, past and present, have been invited to an outing by H. A. Woodward, manager accident and health department of the Old Line Life of America, and Mrs. Woodward. Of his six secretaries, four are married. The invitation had a unique Woodwardesque touch. Husbands are excluded thus: "You took a good secretary from me. Here is my chance to get back at you. Stay home and take care of the kids."

A. H. Reeve, manager of the casualty department of the Travelers' Philadelphia office, completed 35 years with the company May 1.

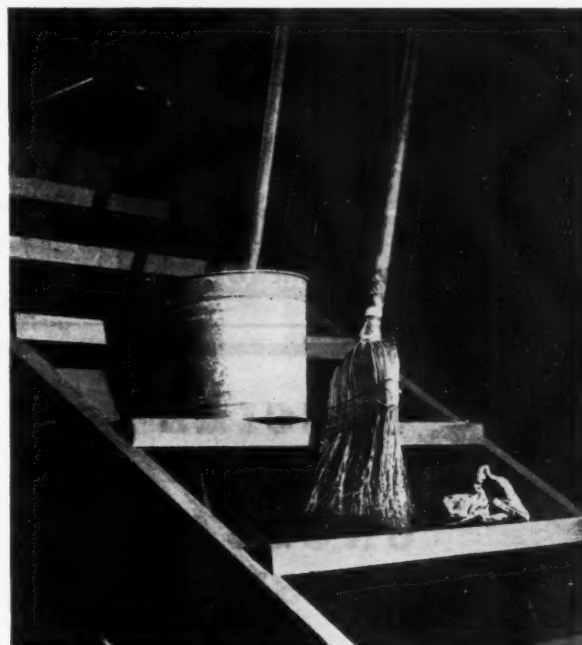
Charles J. Enger, inspector of the Hartford Steam Boiler with headquarters in the Chicago branch, was honored at a luncheon on his 80th birthday. P. M. Murray, Chicago manager, presiding. Mr. Enger has been an inspector of Hartford Steam Boiler for more than 46 years.

C. H. Olson, superintendent of the malpractice liability department of the Aetna Casualty, has completed 25 years with the company. He was formerly an underwriter in the malpractice department and later became superintendent.

Omaha Company Answers Policyholders Action

Mutual Benefit Health & Accident has filed an answer to the court action brought by two policyholders of Lincoln, Neb., which seeks to have the surplus of the company distributed to policyholders and makes certain complaints. The company's answer states that if it were forced to distribute surplus, the company would be forced into dissolution. Mutual Benefit H. & A. now possesses about \$1,500,000 margin above liabilities, according to the answer.

Mutual Benefit H. & A. denies the allegation that the stock of the affiliated United Benefit Life is largely owned by the family of President Criss of Mutual Benefit. As a matter of fact, according to the answer, the stock is extensively owned by the agents of the United



PREFACE TO TROUBLE

Ohio Casualty agents are selling a lot of Residence Liability this time of year for this is the season of Spring housecleaning and trouble.

Hazards galore seem to lurk on dark stairways and along dim corridors, ready at all times to capture an unsuspecting victim and start a costly damage suit. Reasons why the O. C. coverage is popular are simple to understand. The policy is a broad one, offering ample protection to the assured. Rates are reasonable and the agent's commission is interesting enough to make this an important coverage to push.

Why not write us for further details? Not only about this coverage, but other Ohio Casualty profit-making lines. Your inquiry will receive prompt attention.

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SPECIAL and UNUSUAL RISKS

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CHICAGO

Auto Rates Absorbing Topic Today

(CONTINUED FROM PAGE 17)

Allstate of Sears, Roebuck & Co. announces the step that it has taken to meet the competition in the automobile field caused by the rate reductions of the National Bureau. Allstate has been selling P. L. and P. D. on cars used for pleasure only at 30 percent off manual. That discount will be continued and in addition Allstate will give a safe driver reward credit of 15 percent, upon renewal, for policyholders who have had no accidents during the previous year. On cars used for business purposes, Allstate will charge a rate that is 20 percent below par and in addition will give the 15 percent safe driver credit.

General Accident Filing

General Accident has filed in Illinois a plan, embracing the bureau classifications, but with an initial discount of 36½ percent off for class A-1, 32 percent for class A, 15 percent for class B and a 2 percent debit for class C risks.

American Automobile has introduced varying reductions in the non-regulated states. It is adhering to its business and non-business use classifications. In some states it is allowing initial discounts of 30 percent for pleasure and 10 percent for business. In other states the discount is 30 and 15 and in others, 32 and 15.

Reference made last week to the automobile rate action taken by Home Indemnity was somewhat inaccurate. That company has merely revised the percentages of discount applying to private passenger business, as classified under its preferred risk rating plan, which Home Indemnity has been using for more than two years. Under this plan class A business previously was written at manual, less 20 percent; class B at manual, less 10 percent, and class C at manual, plus 25 percent. The rates recently adopted by Home Indemnity in certain states provide for class A at manual, less 30 percent, class B at manual less 25 percent. There is no change affecting class C.

Classes Are Defined

Class A risks are non-business used cars and in addition must qualify as respect accident record, driving record, age of drivers and number of drivers. Class B risks are also non-business used cars but do not have the rating requirements pertaining to record, age of drivers or number of drivers. Class C risks are automobiles used regularly for business purposes. The plan provides that a class C risk after a two year insurance period without an accident may qualify at manual rates, less 10 percent.

Preferred Accident Plan

Preferred Accident and Protective Indemnity, companion companies, have announced their new automobile rating procedure. They are following the bureau classification system, but will give the equivalent of the bureau's safe driver reward, to each insured, at the outset. For class A-1 the rate is manual less 15 percent, then less 25 percent; for class A manual less 15 percent, then less 20 percent; class B manual less 15 percent.

Commercial Standard of Texas has adopted a new automobile rating program. It is discounting rates for the class A-1 group 35 percent, class A 30 percent and cars used for business purposes are discounted 15 percent.

Liberty Mutual 44% Off

Liberty Mutual has announced its new automobile rate setup. It will collect 20 percent below par for class A-1 risks, 15 percent below for class A. It will continue its credit of 10 percent which is comparable to the bureau safe driver reward and in addition will pay dividends which have always been 20 percent. That means that a driver in the class A-1 classification who has no accident and

who gets a 20 percent dividend will pay in the last analysis 44 percent below par.

Standard Surety & Casualty has revised its rating plan to provide for a 30 percent discount for cars used for pleasure. The discount formerly was 20 percent. It will make no distinction between class A and A-1.

INSURING THE DRIVER

Philadelphians See Bureau Plan as New Approach to the Problem of Auto Rate Making

PHILADELPHIA—The rate war precipitated by the National Bureau's drastic slashing of auto liability charges is hastening a general swing to the insuring of drivers rather than cars, in the opinion of some automobile experts in this area, which is noted for being one of the most keenly competitive in the entire country.

They point out that the bureau plan of classifying cars by use and further subdividing the preferred class into A and A-1, with the latter category's emphasis on not more than two drivers, neither under 25 years old, and driving not more than 7,500 miles a year is going a long distance in the direction of insuring the drivers rather than the car.

Furthermore these students of the rating question feel that as rate warfare becomes more closely competitive than it has been up to the time of the bureau's recent move the inevitable result is to put more and more emphasis on underwriting the driver, since it will be necessary to make rates reflect the actual hazard of the risk very much more closely than in the past and this is only possible by appraising the drivers with the closest scrutiny.

While there is no exact statistical basis for saying just how much difference it makes who drives the car, many automobile underwriters feel that they have a pretty good rule of thumb guide from study of their claim files.

Son May Spoil Record

"We see it every day in our claims," said one underwriting executive. "A man has a fine record with no accidents for perhaps 15 or 20 years. He is the only one driving his car. Then his son becomes old enough to have a license and has a couple of bad smashups in his first year of driving."

Indemnity of North America has for some time had a policy insuring the driver rather than the car but the bulk of its business has continued to be done on the regular liability policies. And, of course, in the early days the customary way of writing automobile liability coverage was to insure the driver rather than the car. A complication in the way of a general return to the practice of insuring the drivers is that some state laws hold the owner of a car responsible for an accident no matter who is driving. However, it is felt that some way around these obstacles would be found if the trend toward insuring drivers only should become marked enough to threaten to supplant the present basis of insuring the car itself.

Non-Bureau "Bureau"

The rate war has also revived talk of the non-bureau companies forming their own rating organization. One executive here suggested that an organization be formed not for rate making but to obtain a general agreement on coverages. His point is that it is the frills which individual non-bureau companies stick on that cause the trouble. These extras, added for competitive advantage, force the other non-bureau carriers to follow suit, and perhaps even eventually the bureau companies too.

"These frills are added gratis or at a slight extra charge, on the theory that

they will not cost the company much," this official observed. "Sometimes they don't cost much but then again the company may be sticking its neck out. Other companies then feel that they have to take the same risk or lose out in competition."

Largely Meeting Cuts

In general the non-bureau companies here, as elsewhere, are acting to meet the cuts to a large extent, though only one, General Accident, is going the full way.

While the non-bureau companies have now lost their substantial price advantage, they feel that they still have a tangible advantage in the fact that the entire saving is given the motorist without any condition as to freedom from claims during the ensuing year. Most of them are attempting to capitalize on the fact that they do not create a special A-1 class because they do not want to get into arguments with their policyholders over the conditions as to number and age of drivers and amount of driving done.

Manufacturers Casualty's Step

Manufacturers Casualty has announced that effective April 24 and retroactive to March 1, automobile liability and property damage rates will be 20 percent off manual, plus the regular dividend of 10 percent except for special rates quoted for Philadelphia territory 11-A. Risks for which a certificate of financial responsibility has been given will be written at 10 percent off manual plus the regular dividends. In its announcement to its agents Manufacturers states that it will not "lend itself to any complicated rating plan which may require a policyholder to involve himself in considerable red tape before he finally knows what his actual premium is going to be" and that "we will not confuse our agents and policyholders with a number of different classifications."

Except for certificated risks Manufacturers will give all owners of private passenger cars in a given territory the same rate and dividend. It also announced that all new, renewal and existing automobile risk policies with regular fire and theft coverage will be construed as covering loss of use by theft at no additional premium.

Penna. Indemnity Unchanged

Pennsylvania Indemnity is standing pat with its 20 percent reduction from manual rates.

As announced last week, Indemnity of North America has cut its rates to 25 percent off manual, and continuing its prospective merit rating plan, which gives an increasing discount up to 20 percent, while General Accident is keeping its 20 percent occupational discount and in addition granting the equivalent of the safe driver reward of 15 percent in advance, making a net discount of 36.25 percent.

Because of the unusually competitive automobile situation in Philadelphia, there is a marked degree of interest in the eventual outcome of the rate war. Some feel that the principal battle will be between the bureau and the automobile specialty companies, notably Amer-

ican Automobile. They would not be surprised to see the slaughter carried so far as to endanger some of the small stock and mutual carriers but feel that the big mutuals and non-bureau companies are fully as able to withstand a price war as the bureau carriers.

Little Fear of Casualties

Reports are that agents are far from happy about the bureau's rate action, feeling that the amount of new business that can be had as the result of the lowered premiums will not offset the commission loss due to rates being cut. Heads of casualty departments other than automobile see a chance to stimulate the production of other lines of business out of the savings made to insured in their automobile premiums. This might lift the agents' gloom to some extent, it is felt.

COMMISSIONERS

Some of the insurance commissioners undoubtedly will be considerably embarrassed over the National Bureau of Casualty & Surety Underwriters automobile rate reduction, especially those having jurisdiction in states where a minimum rate schedule is made mandatory. For instance, New York is a typical state where the law requires the superintendent to take action where, in his opinion, it is found that the rates are excessive, inadequate or create an unreasonable profit. Other states having minimum rate laws for automobile are North Carolina, Texas, Virginia, Louisiana and Massachusetts. Therefore, in these states there is a definite rate level. The insurance department must decide from the experience what must be the minimum rate level and what deviations can be justified. In New York, for example, all companies write personal injury and property damage at the same rate with the exception of the General Accident, which has proved to the department that its deviations are justified.

Another State Group

In another set of states companies are required to file their rates and when they are filed they must be adhered to. The new Illinois code, for instance, gives the department the power to disapprove unjust and unreasonable rates, those that are discriminatory or preferential. This group of states comprises Oregon, New Hampshire, Oklahoma, Washington, New Mexico, Kansas, West Virginia, Vermont, Minnesota, Wisconsin, Indiana, Illinois, Arizona and Montana.

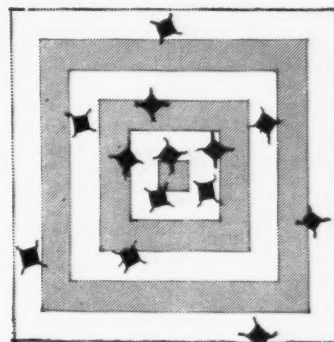
There is a third set where the filing is done by courtesy, although there does not seem to be a definite requirement, these states being Colorado, Pennsylvania and Ohio.

A department in the minimum rate states is supposed to pass on the adequacy or inadequacy of rates according to experience. Probably no one will admit that the rates after the reductions are put into effect can be considered adequate. If, therefore, New York, for example, should rule that they are inadequate the question then arises as to what the superintendent would do with companies operating in New York that are meeting the rate reductions in other states where there is no control over rates or where the departments have approved them.

What About State Companies?

Furthermore, a question arises with the commissioners in the minimum rate states as to their moral responsibility to their domestic companies. Some states have a number of smaller companies writing automobile insurance and many of them specialty companies. If the present situation continues long some of these cannot stand the heavy warfare. Yet in spite of all this there will be great pressure from automobile owners to get the lower rates inasmuch as so many other states are enjoying them and furthermore the people realize that the department could approve these rates if it desired. Altogether the situation in which these commissioners find them-

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Headquarters for "OUT-OF-THE-ORDINARY" Contracts

Claimant Reports Damage of Only 16 Cents

The claims department of Safety & Claims Service, Chicago was dumbfounded over the receipt of the following reply to a form letter enclosing a property damage claim blank:

"Gentlemen:

In answer to your letter in regard to the small accident that one of your big red trucks had in bumping into my car, wish to say the damage was only 16 cents for a new bolt which is not worth while to make any kind of a claim."

We are pleased to report that Diogenes' honest man has at last been found.

selves is not a very comforting one. Many of the outside companies are holding their ears to the ground and waiting to hear what some of these commissioners will do, especially Insurance Director Palmer of Illinois.

SECOND MICHIGAN MEETING

LANSING, MICH.—A second meeting of Michigan specialty carriers and independent auto-writing casualty carriers is tentatively scheduled for the latter part of this week to consider the rate situation. At the first meeting April 27 a positive program was not formulated. The meeting was arranged by Auto-Owners of Lansing, Wolverine, and Citizens' Mutual Automobile. W. E. Robb, secretary of the last named carrier, presided. Not represented were Detroit Automobile Club and Michigan Mutual Liability.

Opposition is being marshaled to a carefully screened effort on the part of a few Michigan automobile carriers to push through a rate regulatory act. A cleverly worded amendment has been added to a supposedly "dead" bill. The measure emerged from the senate insurance committee, in the absence of the chairman, and an attempt was made unsuccessfully to gain its final passage before opponents could muster their forces.

The bill was originally designed to permit casualty companies to write automobile fire. The measure was sent back to committee several weeks ago by consent of all interested parties with the understanding that a substitute, amending only the automobile section of the code and broadening the coverages permitted for carriers organized under this section, would be offered. It passed the senate without dissent. The old bill, however, was resurrected as an ideal vehicle for the coup planned to nullify the competitive effect of the new bureau schedules. The rate regulation provision was substituted for the original purpose of the bill.

CONFERENCE IN OREGON

PORTLAND, ORE.—Peaceful solution of the automobile rate controversy is expected following a meeting with a committee representing the insurance group and the commissioner.

The committee headed by Harvey Wells, and including Phil Grossmayer and Karl V. Lively, of Bates, Lively & Pearson, offered a compromise, suggesting that the commissioner allow the new bureau filings to go into effect pending the assemblage of experience data to justify the reduction. Then, if the rate reduction is not justified on the basis of the loss ratio, the commissioner could issue an order restoring the rates to the present level.

Mr. Earle promised to give a decision by the end of the week.

Later the committee decided to follow one of two courses—demand a hearing before the governor or take the matter into court under mandamus proceedings.

Public demand for approval of the new schedule has increased. Dealer groups as well as individual policy holders have expressed a willingness to back the insurance companies in their efforts to bring about the rate reduction.

SITUATION IN MINNESOTA

ST. PAUL.—Another effort was being made this week to iron out the differences between various groups of companies writing automobile insurance in Minnesota. A conference of a subcommittee with Commissioner Yetka was arranged for mid-week and hope was expressed that some sort of an agreement on rates would be reached shortly. In the meantime Mr. Yetka has not approved the new filing of the National Bureau. It was reported this week that local agents had taken a hand in the controversy over auto rates and were seeking a conference with the commissioner to give their side of the matter.

OHIO GROUP TAKES ACTION

COLUMBUS.—The Ohio Automobile Underwriters Association, the non-

Residence Burglary Cover Is Extended

(CONTINUED FROM PAGE 19)

tion of the \$500 residence policy recently put into effect. The small policy may now be written in any amount between \$500 and \$1,000 at the proper pro rata rate for \$1,000 of insurance. This applies only to the 100 percent blanket form, \$1,000 remaining as the minimum amount of insurance which may be written under the 50 percent blanket and the divided cover form.

Rates for the first \$1,000 of insurance in all territories under all forms remain unchanged, but the reduction for amounts over the first \$1,000 are substantial. For example, in territory 1, which takes in Cook county, Ill., and Wayne county, Mich., \$2,000 insurance on a private residence under the 50 percent blanket form now costs \$27, as compared with \$33. In the same territory and under the same form, \$3,000 insurance now costs \$34.25, as compared with \$41.50 previously. In territory 4, which takes the lowest rates and which includes the largest part of the country, the premium for \$2,000 insurance under the same form has been reduced from \$19.25 to \$18 and for \$3,000 from \$24.20 to \$22.75.

Lake county, Ill., was moved from the Chicago territory to territory 6, with a consequent reduction of about 15 percent. Other territories which were reduced were Los Angeles county, Cal., Denver county, Colo., Brower, Dade, Duval, Hillsborough, Palm Beach and Pinellas counties, Fla., Marion county, Ind., Campbell, Kenton and Jefferson counties, Ky., Jefferson, Orleans and Plaquemines parishes, La., Douglas county, Neb., Polk county, Ia., and all of Missouri except Jackson and St. Louis counties and the city of St. Louis.

Three Year Open Stock Coverage

The authorization of term premiums on mercantile open stock policies means that every major form of burglary insurance is now eligible for term rating. This coverage may be written for three years under the usual burglary rule, two and a half annual premiums if paid in advance and two and a half annual premiums plus 5 percent if paid in installments of 50 percent the first year, 30 percent the second year and 20 percent the third year.

Mercantile safe burglary rates were reduced in Bowie county, Tex., by moving this county from territory 2 to territory 3. Storekeepers policy rates were reduced in Miller county, Ark., by moving this county from territory 2, where the premium for the basic policy is \$35, to territory 4, where it is \$30.

Other Revisions Included

The new manual changes also show a number of revisions announced by bulletins some time ago. This includes safe depository liability rates for banks having less than 2,500 boxes and needing not more than \$25,000 of insurance, the securities policy covering property in the custody of public officials and also covering property deposited for safe keeping with banks and trust companies and the accounts receivable policy, covering inability of the assured to collect money from his customers as a result of destruction of or damage to his records. This contract had been written independently to some extent by both bureau and nonbureau companies and was authorized by the bureau under standard rates last January.

conference group of automobile insurers, after a several days conference in Columbus, has adopted a 30 percent deduction on conference A and A-1 risks and 10 percent off on class B risks. It is said that some of the companies may not adopt these rates. The association felt, however, that this was the best

LEGISLATION

Summarize New Minnesota Laws

MINNEAPOLIS.—Twenty-two bills affecting insurance, out of 218 introduced, were enacted by the Minnesota legislature, George R. Teeson, president, and Clyde B. Helm, secretary of the Insurance Federation of Minnesota, reported. The majority of the new insurance laws affect the casualty, surety and compensation end of the business. Only a few new laws involve the fire and life.

Following is a summary of the more important new insurance laws:

Casualty and Surety

Chapter 148—Provides that actions against the owner or operator of a motor vehicle for negligence may be brought in the county where the action arose or where the defendant resides.

Chapter 12—Requires those engaged in business of making small loans to furnish bonds.

Chapter 146—Permits accident and health companies to write hospitalization coverage. Chapter 216—Permits commercial travelers insurance companies to give prizes for new members.

Chapter 241—Permits attorney for employee, employer or insurer to examine case files of industrial commission.

Chapter 265—Professional baseball players not bound by provisions of workmen's compensation law. Chapter 322—Provides for control of poisoning and disease contracted in employment. Chapter 306—Adds certain occupational diseases due to the hazards of fire fighting to compensable diseases under workmen's compensation schedule. Chapter 416—Amends laws relating to workmen's compensation payments to alien dependents.

Massachusetts—A demerit rating system to increase the cost of liability insurance for careless drivers was advocated before the insurance committee by Representative Gott, author of the bill. Ten percent of the drivers caused all accidents, he said. Counsel J. W. Downs of the Insurance Federation favored the measure.

Commissioner Harrington, who was neutral, said that since the legislation was merely permissive, if passed he would make an investigation of the feasibility of putting it into effect.

Commissioner Harrington also presented the results of his investigation into a merit rating plan. He was strongly against such a plan as it involves a great expense in keeping records of 700,000 or more motorists in the state and declared that while rates might be reduced 10 percent for the careful drivers it would mean an increase of over 50 percent for remaining car owners. The alternative would be to increase the manual and discount them 10 percent for the careful drivers, which would mean a reduction of only 1 or 2 percent from the present rates.

Without a rollback the house rejected a bill to establish a state fund for underwriting workman's compensation insurance.

Maine—The senate has accepted the report of a special recess commission that there is no demand for a state compensation fund.

Florida—Bills before the legislature include one requiring adjusters to be attorneys at law. Another permits surety companies to give surety bonds in lieu of deposits with the state treasurer.

Iowa—The Iowa legislature, which has now adjourned, passed the bill ex-

means of meeting the recent slash made by the conference companies and other independents.

NON BUREAU INDIANA MEET

INDIANAPOLIS.—A meeting of non-bureau auto companies is scheduled here for Thursday.

empting from liability for debt health and disability policy benefits.

Formation of non-profit corporations to write hospitalization insurance was authorized under another bill.

Texas—Little trouble is expected from the bill providing for a state compensation fund and an insurance premium tax to provide for firemen and police retirement funds. Both proposals appear dead. The house insurance committee has failed to act on the premium tax bill and the sponsors have made no attempt to expedite its handling by having it moved to the municipalities committee.

Connecticut—A bill providing for non-profit hospital service insurance corporations was adopted by the senate. The measure was drafted by a special committee named by former Governor Cross. Such corporations must be approved by the insurance commissioner and rates would be subject to his approval and annual reports would be filed with him.

Passage of the measure by the house is virtually assured.

Ohio—The house judiciary committee has recommended a bill which provides that in personal injury actions statements obtained within 72 hours after an accident may not be introduced as evidence. The committee has indefinitely postponed a bill providing that in personal injury cases physicians may testify if the injured person testifies. The senate insurance committee has recommended a bill prohibiting the organization or admission of more sickness and accident associations.

Wisconsin—A compulsory health insurance bill has been introduced by Assemblyman Biemiller, proposing a 4 percent payroll tax, 2 percent to be paid by the employer and 2 percent by the employee. Employees earning \$60 a week or less would come under the measure and their dependents would be covered.

New Hampshire—The house has killed a bill which would require all employers to report occupational diseases among their employees to the state board of health. The house passed a bill providing for the creation of a recess commission of nine members to be appointed by the governor and council to make a study of occupational diseases and report to the succeeding legislature.

Oklahoma.—A bill has been passed authorizing district judges to sit in workmen's compensation cases where the state industrial commission does not grant a hearing within 20 days. The governor is expected to sign the bill.

South Carolina.—A sub-committee of the finance committee of the legislature has recommended that insuring of workmen's compensation risks be made a state monopoly.

New York.—Two bills passed by the state legislature are now before Governor Lehman exempting golf course caddies from both the unemployment and the workmen's compensation laws.

Liability to Employee Not Covered

CONCORD, N. H. — The attorney-general's office has advised Commissioner Rouillard that it is not the intention of the New Hampshire automobile financial responsibility law to require automobile liability policies under the law to cover a car owner's liability to his employees.

Seaboard Surety New Statement

Seaboard Surety, in its quarterly statement, reports assets \$4,320,548, a decrease of about \$50,000 from Dec. 31, 1938. Premium reserve amounted to \$895,000, an increase of about \$60,000. Surplus and contingency reserve amounted to \$1,781,866.

William Hefti, 73, claim adjuster for the General Accident in St. Louis, died there from heart trouble. He had been with the company 35 years.

POINTERS FOR LOCAL AGENTS

Products Liability Insurance Increasing in Importance

"While a comparatively new line to most agents, products public liability insurance seems destined to become one of the largest lines in the public liability insurance field," M. F. Lydiard, chief underwriter in the home office liability department of the Aetna Casualty & Surety, predicts in an article in the May "Aetna-izer."

"In the last four years alone," Mr. Lydiard writes, "the volume of this form has more than tripled and the possibilities for further development are almost unlimited. This increase has been due partly to a natural tendency on the part of manufacturers, wholesalers and retailers to seek the coverage and partly to the fact that agents, becoming aware of its sales possibilities, have been more actively soliciting the business."

What Is Products Liability?

What is products liability insurance? "This form," explains Mr. Lydiard, "protects the assured against loss and expense resulting from claims for damages on account of bodily injuries or death accidentally sustained or alleged to have been sustained by members of the public in connection with the consumption, handling or use, away from the assured's premises, of any product manufactured, handled or distributed by the assured. It includes protection for defects, errors or mistakes in the manufacture or preparation of products, including defective workmanship or design."

"Is there much need for such protection?"

"The increase in claim consciousness on the part of the general public, the

activity of trial lawyers, together with the liberality of courts and juries in awarding judgments in favor of claimants, all have combined to make this insurance increasingly popular with manufacturers, wholesalers and retailers. Fake claims also have been an important factor in this development and continue to be a problem. Still other claims frequently encountered—even on the best of risks—are those claims made by persons who are allergic to certain products which are normally harmless to the average person.

Same Principle of Liability

"It must be remembered that the same principle of legal liability applies in connection with products insurance as with all other public liability coverage. This liability may be based upon common law or statute."

Mr. Lydiard then explained in detail how a claimant may legally recover damages and declared: "In recent years there has been a very definite trend towards greater liberality for the protection of the ultimate consumer. The laws, and the courts and juries are all attuned to this increasing liberality."

"Certainly, therefore," he continued, "agents should be interested in this development and very substantial increases in sales of products public liability insurance would seem to naturally follow."

"Although certain risks, because of the very nature of the product or because of a catastrophe hazard, should be avoided, on the whole products liability insurance, carefully and intelligently underwritten, should prove very desirable business."

World's Fair Visitors Are Good Insurance Prospects

Sales opportunities created for agents in all sections of the country as a result of the Golden Gate International Exposition and the New York World's Fair are outlined in an article in the May "Aetna-izer" published by the Aetna Life.

In part, the article follows:

"Mr. Prospect, you hear, is planning to drive to New York or San Francisco next month. Consequently he is well worth a solicitation call for automobile liability insurance. Your first task is to convince him that automobile insurance is needed more than ever before this year—and needed particularly by those who plan to motor to the fairs."

The article points out that since Mr. Prospect, his wife and family are contemplating a long trip, it will be much easier to convince them of their need for personal accident insurance and urges that this bet not be overlooked. "Also," continues the article, "while you are talking to Mr. Prospect, point out to him that his home will undoubtedly be closed while he is away and consequently there will be greater risk of burglary. Explain to him that it would be prudent to take out residence burglary and theft insurance."

"And further, explain to Mr. Prospect that the risk of theft is by no means confined to belongings within his home. Let us suppose that Mr. Prospect is an ardent photographer and owns an ex-

pensive camera and that his wife wears a valuable, diamond-studded wrist watch. Here is a tailor-made opportunity for the sale of a camera floater and a jewelry floater. Explain to him that this form of insurance will not only protect the camera and watch against theft, but against loss from practically 'all risks.' And finally describe to Mr. Prospect the broad coverage of an 'all risks' personal effects floater, and show him how desirable this form of insurance is for travelers."

Adequate Insurance Key to Credit

KANSAS CITY—Credit cannot function without satisfactory insurance coverage. T. Alfred Fleming of the National Board told the Kansas City Credit Men's Association here. Credit has been granted in the past on the three C's—Character, Capital, and Capacity, but the modern credit man who is big enough for his job has added two more C's—Conditions and Coverage.

Riot Is Needed

Mr. Fleming stressed the need in the present times for riot and civil commotion protection. He urged credit men to insist upon the payment of a few

extra cents to get mischievous damage endorsements or extended coverage protection.

The increased use of chemicals in modern manufacture was cited by Mr. Fleming as another basic reason for credit men insisting on adequate coverage before extending a line of credit. Forty-three percent of businesses whose plants have burned have been unable to rehabilitate and continue.

Conditional sales insurance is the best protection to the seller of merchandise sold on time payments. It can be written on both seller and buyer and if a loss occurs, it automatically means an additional sale because the order is filled again.

Do You Know?

The Home of New York in "News from Home" ran a very excellent treatise concerning explosion and riot policies, asked some questions and gave some answers that are enlightening. They are:

Do the explosion and riot policies cover:

1. Explosion originating within ice machines?

Yes, unless the machine is operated by a steam engine, in which case, no.

2. Does the explosion policy cover gas tank?

Yes.

3. Does the explosion policy cover compressed air tank?

Yes.

4. Does the explosion policy cover steam kettles?

Not if it is a steam pressure explosion in a pipe; otherwise, yes.

5. Does the policy cover loss by explosion of steam boiler in the property of another?

No.

6. Does the policy cover an ordinary heating plant in a dwelling?

Explosions occurring within the steam boiler are not covered, regardless of pressure at which boiler is operated.

7. Does the policy cover explosions occurring in firebox of boilers?

Yes.

8. Does the explosion policy cover explosions of internal combustion engines?

Yes—except steam.

9. Does the explosion policy cover explosions from pipes, all other than steam, such as refrigeration, compressed air, etc.?

Yes.

Riot Questions Answered

1. Does the riot policy cover fire? Only if caused by riot.

2. Does the riot policy cover explosion?

Yes. (All explosions except those occurring in steam boilers, pipes, fly-wheels, engines and machinery connected therewith and operated thereby.)

3. Does the riot policy cover loss or damage from the malicious placing of bombs?

Yes. (Excepting any loss or damage by military or naval forces of foreign enemies.)

4. Does the riot policy cover fire resulting from explosion?

No. (Both policies pay the respective loss.)

5. Does the riot policy cover consequential damage?

No.

6. Does the riot or explosion policy cover explosion caused by fire?

No.

7. Does the riot policy cover spring-

Rooney Discusses Policy for Directors of Corporations

The New York "Times" the other day printed an interview with James R. Rooney, manager of the bond department of Indemnity of North America, on the subject of insurance against liability of corporate directors. Mr. Rooney stated that he started to study the outlook for such insurance when the SEC legislation was first proposed. It was concluded that there were certain necessary limitations upon the scope and type of coverage that insurers could offer, he said.

For instance, it would be illegal for a corporation itself to insure its directors for liability arising from negligence, malfeasance or malpractice. No blanket coverage could be offered, but the directors would have to insure themselves as directors of a specified corporation. Indemnity of North America, he said, drafted a policy that would indemnify the directors against actual loss arising from their liability.

A number of directors said that in addition they would want coverage against cost of defending themselves from losses. The insurance companies offered to provide coverage that would settle or defend cases. The directors, however, desired to be in a position to retain their own counsel. Mr. Rooney said that the insurance companies could not agree to that, as the directors would be very likely to hire expensive counsel.

Willing to Insure Directors

Directors are principally concerned because of the liability they incur in signing registration statements for new securities with the SEC. Indemnity of North America, Mr. Rooney declared, would be willing to insure directors against such liability in connection with specified registration with the proviso that the insurer would participate in preparation of the registration statement, checking preparatory data, making certain that the director actually studied the material necessary, approving the legal counsel and the auditor employed. Such a policy has not appealed to the directors, Mr. Rooney said.

London Lloyds, he said, offered a limited amount of insurance of the liability of security underwriting concerns. That offering has since been withdrawn. The policy provided that in the event of legal action against the insured the insurance company would conduct its defense, while the insured would turn the case over to his own counsel only when this was so recommended by the insurer. Because of that provision the policy did not have wide appeal.

Mr. Rooney expressed the belief that not more than about 1,000 directors would be available for insurance of the type under discussion. This would not yield enough in total premiums to overcome as much as one possible loss, he declared.

kler leakage as a result of riot?

Yes.

8. What does the riot policy actually cover?

Riot and riot attending a strike, explosion (except explosions occurring within steam boilers, pipes, flywheels, engines and machinery connected therewith and operated thereby).

9. Does the riot policy cover pressure container explosions?

Yes, except steam.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Nebraska Figures for Last Year Given

The companies in Nebraska that reported over \$50,000 premiums in the state in 1938 are as follows:

	Premiums	Losses
Nat. American, Neb.	269,336	\$ 145,848
National Sec., Neb.	168,472	99,905
American, N. J.	68,709	15,641
Continental	63,308	24,239
Fid. Phenix	126,687	82,174
Firemen's	152,705	100,160
General Exch.	82,360	33,464
General, Wash.	180,868	101,123
Glens Falls	84,505	19,275
Great American	58,237	19,495
Hanover	242,252	145,723
Hartford	59,141	32,511
Home, N. Y.	647,816	344,844
Ins. Co. of N. A.	539,678	298,204
London	207,222	107,512
Mercantile	83,196	36,704
Mercantile, N. Y.	57,697	14,870
National, Ct.	91,197	55,732
National Union	297,888	116,290
No. Brit. & Merc.	159,488	64,670
North River	86,025	37,870
Phoenix, Ct.	54,001	34,857
Queen	125,943	53,544
Royal	59,305	26,128
St. Paul F. & M.	83,245	36,704
Springfield	229,267	103,383
Travelers	292,227	100,213
U. S. Fire	107,585	29,110
Westchester	74,970	49,488
	65,300	43,586

MUTUAL COMPANIES

	Premiums	Losses
Capital Fire, Neb.	\$ 123,616	\$ 40,912
Dwelling House, Neb.	97,539	28,574
Neb. Hardware	95,937	34,023
Protective, Neb.	72,098	21,356
Union, Neb.	235,677	91,268
Grain Dealers, Ind.	136,537	44,537
Home Mutual, Ia.	253,445	91,321
N. W. Mutual, Wash.	61,661	15,069
Western Mutual, Ia.	63,169	16,253
Farm. Mut., Lincoln	607,265	318,276
Farm. Union, Omaha	71,080	40,591
State Farmers, Neb.	52,481	23,878

The Nebraska assessment hail companies last year wrote \$137,086 in premiums and had \$197,646 losses. The

leader was the Central States Hail of Lincoln with \$105,763 premiums and \$181,730 losses. The next was the United Hail of Lincoln with \$20,166 and \$9,795 respectively. The stock companies had hail premiums \$1,357,763 and losses \$1,187,064. Those receiving over \$40,000 in hail premiums were as follows:

	Premiums	Losses
Aetna	\$ 77,593	\$ 56,542
Cent. St. Hail, Neb.	105,763	181,730
Farmers Mut., Ia.	126,416	87,386
Fidelity-Phenix	58,079	51,587
Great American	131,505	100,946
Hartford	182,414	175,783
Home, N. Y.	203,240	146,291
Ins. Co. of N. A.	82,018	58,864
St. Paul F. & M.	44,680	29,419
Springfield F. & M.	69,715	50,035

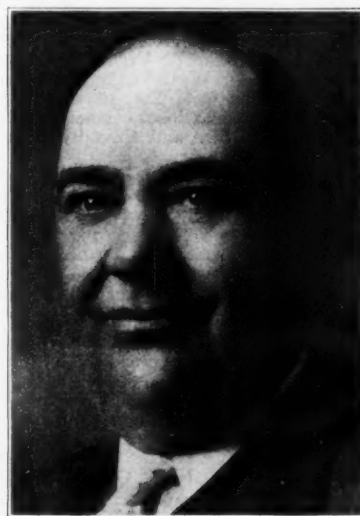
Many Guests Attend Cleveland Banquet

CLEVELAND — Agents and company men, including many out-of-town guests, participated in the annual banquet of the Cleveland Board. The evening was devoted to goodfellowship and fun. The only speaker on the program turned out to be a "phony," although he gave the crowd some serious laughs before his identity became disclosed. He was listed as Pierre Tournau, secretary Canadian Insurance Buyers Union, and purported to convey some food for thought on "Insurance from the Buyer's Viewpoint." Professional entertainment and musical acts followed the speaker. John W. Barrett, new board president, welcomed the guests and introduced the speakers.

Notables at Speakers Table

The lineup at the speakers table consisted of Harvey Martin, past president Ohio Association of Insurance Agents; James E. Granger, Cleveland fire chief; Raymond Rhoads, assistant superintendent; W. A. Robinson, actuary; L. U. Jeffries, warden; and Roth Crabbe, deputy, Ohio insurance department;

Rounds Out 50 Years



FRANK C. HENDRICKS

Field men and associates of Frank C. Hendricks attended a testimonial stag dinner at Council Bluffs, Ia., in celebration of his 50th anniversary in the insurance business. He started as a local agent May 1, 1889. C. W. Borrett, state agent Hanover Fire, was toastmaster.

Harry L. Grider, manager Western Factory; L. Calvin Jones, president, Ohio Association of Insurance Agents; C. A. Benner, vice-president Cleveland Board; T. B. Sellers, manager, Ohio Inspection Bureau; C. C. Atwell, manager Ohio Audit Bureau; Donald E. Herren, past president, Cleveland Board; C. E. Plummer, field representative Ohio Association of Insurance Agents.

Illinois Farm Men Announce Program

The annual meeting of the Illinois Farm Insurance Agents Association will be held at the Jefferson Hotel, Peoria, June 13-14. Robert Stoutenborough of Maroa is president; C. E. Kepner of Rochelle, vice-president, and O. G. Tradewell of Rantoul, secretary. There will be a meeting of the executive committee the evening of June 13. It consists of P. J. Keck, Fairbury; Mark I. Hall, Belvedere; J. R. Marquiss, Monticello; W. R. Bottori, Macomb; Fred Stanton, Monmouth, and J. E. Carlson of Rockford.

Company Men to Speak

At the first session there will be reports of officers and committees. E. A. Finn, superintendent of the automobile department of the Hartford Accident & Indemnity, will give a talk on "Farm Tractor Liability and Farm Casualty Insurance Lines." Dennis Smith, executive special agent of the America Fore in its farm department, will talk on "Fire Prevention & Fire Department Service on the Farm." In the afternoon R. W. Carter, farm superintendent of the Aetna Fire, will give a talk.

Indianapolis Salvage Corps Has Reminiscent Evening

INDIANAPOLIS—At the 25th anniversary meeting of the Indianapolis Salvage Corps Monday, J. A. Bawden, state agent Springfield F. & M., gave a history of the corps. He was followed by Richard Lieber, prominent in business circles in Indianapolis, with reminiscent comments on the difficulties that were surmounted in getting the corps started, Mr. Lieber having taken the initiative in the movement. E. H. Forry, secretary of the corps since its organization, also contributed facts on its early history.

William Curran has been superintendent of the corps from the start and prior to that was for 20 years with the Cincinnati Salvage Corps. Mr. Curran has not lost a day on account of illness during his connection with the two salvage corps.

Mr. Lieber and Mr. Forry were re-elected directors. All officers were re-elected: Curtis C. Duck of Spann & Co., local agents, president; Geo. R. Pritchett, American, vice-president; D. D. Fitzgerald, Commercial Union, treasurer, and E. H. Forry, secretary.

Maintain Michigan Volume, Loss Ratio Is Improved

LANSING, MICH.—The fire premium volume in Michigan was well maintained in 1938 while underwriting experience was much better than in 1937. The non-Michigan domestic companies, which write the bulk of the business, will show a loss ratio under 42 percent, compared to 51.60 percent in 1937.

The Hartford Fire, despite a decrease in volume, kept its front rank with premiums of \$679,635 compared with \$734,500 in 1937. Its loss ratio was 44.45.

The Great American maintained sec-

Toastmaster



J. EDWARD MARTIN, Peoria, Ill.

J. Edward Martin, a partner in the Callender & Co. agency of Peoria, Ill., will be the toastmaster at the banquet in Rock Island, May 18, during the mid-year meeting of the Illinois Association of Insurance Agents. He is a commanding figure and will turn in a brilliant performance.

ond place with \$582,086, compared with \$579,634 in 1937. Its loss ratio was only 45.16 compared with 57.77 in 1937.

The American of Newark wrote \$541,971 with a 38 percent loss ratio. Other leaders are:

	Net Premiums 1938	Loss Ratio 1937
Springfield	\$477,114	\$498,257 39.28
Home	438,423	495,059 43.64
National	423,700	438,172 38.37
Travelers	393,189	415,436 39.62
Continental	346,628	356,302 42.25
Northern, N. Y.	343,127	373,940 46.24
North America	341,158	333,968 36.18
Firemen's	265,258	276,760 34.01
Aetna Fire	234,142	229,763 35.74
Fidel. Phen.	232,890	235,090 34.03

The Michigan Millers Mutual Fire showed a material increase to \$588,568 compared with \$440,271 in 1937. Its loss ratio was 24.53 percent.

Wants Cancelled Licenses Back

COLUMBUS — A survey by the license section of the Ohio department shows that between 400 and 500 agents' and solicitors' licenses are cancelled monthly by companies and agents. Usually the licenses are not returned at the time of cancellation so that inaccurate evidence is left in the hands of the former licensees, showing that they are licensed to represent a particular company or agent until the end of the license period.

Superintendent Lloyd has requested that whenever possible companies which are cancelling agents' licenses, or agents who are cancelling solicitors' licenses, obtain the license cards from the former licensees, and return them to the department.

Mutuals Get Third of Cover

KENOSHA, WIS.—The board of education at a special meeting decided to place the currently expiring one-third of property insurance on schools with mutuals. The coverage is on \$871,374, a third of the total value. Representatives of the Kenosha Insurance Board argued for stock company coverage, while individual brokers talked mutual insurance and the saving afforded by dividends over the three year period.

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Contracts for the May 1 renewals were divided between the Charles Pfennig Agency and the Kenosha Realty Co. agency.

Memorial for H. R. Johnston

WICHITA, KAN. — The late H. R. Johnston, senior member of Dulaney, Johnston & Priest, who died unexpectedly last week, was honored by a short memorial service led by Dwight Smith at the Wichita Insurors meeting. Mr. Johnston was a past president of the association and for many years had served on the insurance committee which

supervised the many lines of public insurance handled by the board. Plans for the Business Development meeting May 11 were outlined by Chairman V. L. Henry and Dwight Smith. Plans for a luncheon meeting with Wallace Rodgers, assistant manager Western Underwriters Association, as speaker were announced.

Ohio Deputies Have Rally

R. R. Gill, the new Ohio state fire marshal, conducted a school of instruction in Columbus for his deputies. About 25 attended. The National Board was

represented by E. L. Donovan, head of the arson division in Chicago, who for 10 years was chief investigator of the Ohio state fire marshal's office, and A. Bruce Bielaski, head of the arson division at the New York head office. At a luncheon during the conference, Governor Bricker and Charles Jones, Ohio director of commerce, participated.

Helm Talks to Range Association

Clyde B. Helm, secretary Insurance Federation of Minnesota, was scheduled to talk Thursday at the meeting of the Range Association of Insurance Agents in Grand Rapids, Minn. He planned to review the insurance results at the recent session of the Minnesota legislature.

Name Missouri Membership Group

KANSAS CITY—Joseph H. Ashton, chairman of the membership committee of the Missouri Insurance Agents' Association, has named the following vice-chairmen to handle membership work in their respective areas:

Lynn Fellison, St. Joseph; George F. King, Columbia; W. R. Swindell, Moberly; Basil U. Sparlin, Springfield; Morrison L. Clevlen, Poplar Bluff; Birt P. Bryant, Kennett, and Gordon Fisher, Joplin.

Banquet Michigan Commissioner

LANSING, MICH.—Several Michigan carriers of all classes joined in banqueting Commissioner Emery and members of the senate and house insurance committees. W. E. Robb, secretary Citizens Mutual Automobile, Howell, presided. Col. S. D. Pepper, counsel for Michigan Life, Detroit, introduced the commissioner.

Indiana Midyear Meet June 22-23

The mid-year meeting of the Indiana Association of Insurance Agents will be held at the Spink-Wawasee Hotel, Wawasee, Ind., June 22-23.

Utley Indiana Banquet Speaker

Clifton M. Utley, executive secretary Chicago Council on Foreign Relations, will be speaker at the banquet May 19, in connection with the Indiana Conference on Fire & Casualty Insurance at Indiana University, Bloomington.

While the conference is sponsored by the Indiana Association of Insurance Agents, President Ross E. Coffin wants it understood that all agents and others interested in fire or casualty insurance will be welcomed.

Three Inspections Scheduled

Three town inspections will be made by the State Fire Prevention Association.

On May 17 R. E. Vernor, manager fire prevention, Western Actuarial Bureau, will speak in Moline, Ill., as part of a survey and educational campaign sponsored by the Fire and Casualty Insurance Board.

On May 18 Sheldon, Ia., will be inspected by the State Fire Prevention Association. Lexington, Neb., will be inspected on May 9.

NEWS BRIEFS

The Indianapolis Insurance Bowling League has elected George H. Peet, Western Adjustment, president; H. J. Spier, vice-president, and T. J. Seiner, reelected secretary-treasurer. Charles Power of Stone, Stafford & Stone led the league; James Hurt, Sr., second, and J. V. Roe, Rough Notes Co., third.

Another of the series of Business Development zone meetings was held at Dubuque, Ia., with a rural agents' program in the morning and the general program in the afternoon.

B. J. Evans of the Hartnett & Evans agency, Stafford, Kan., was elected district governor of the 122nd district of Rotary International at McPherson.

Wade Patton, secretary Kansas Association of Insurance Agents, announces 18 new members of the association from

13 towns. Kansas field men are credited with securing 37 new members for the association so far this year.

R. F. Nelson, Mill Owners Mutual Fire, has been elected president of the 1752 Club of Iowa; Forrest Grove, Farmers Mutual Hail, vice-president; C. M. Everett, Mid-West Casualty, secretary; I. D. Cooley, Motor Carriers Mutual, treasurer.

W. E. Bickel of Vinton, Ia., will complete 40 years in the insurance business June 1, having stayed in his original office at Vinton since he first started. He plans to move to new quarters, however, before the start of his 41st year.

Joseph Morris of Edmunds & Morris, local agents at Norris City, Ill., is rounding out 25 years of continuous service as agent of the Home of New York and will be entitled to his 25-year silver service medal. Mr. Edmunds of the firm was presented with his 25-year medal several years ago.

The spring initiation of the St. Louis Cats Meow will be held May 13.

W. B. Wright, Kansas special agent Hartford Accident, talked to the Topeka Association of Insurance Women on "Casualty Insurance."

Schultz & Clark, Estherville, Ia., have purchased agency of H. J. Long.

W. L. Yon of Storm Lake, Ia., has purchased the agency of the late George Pedersen.

Witmer Rumsey has opened an agency at 321 Iowa building, Des Moines. His grandfather founded the Des Moines agency now known as Witmer-Kaufman-Evans.

The April Insurance Agency is holding open house in its new office at Ann Arbor, Mich., 307 East Huron. This is one of the highly esteemed agencies of the city.

Mrs. Albert Fuson of the Veatch & Fuson Agency, North Kansas City, Mo., attended the opening of the New York fair. Mrs. Fuson, in company with several friends, is completing a motor trip to the east.

SOUTH

Blagden Manning Retires from Agency

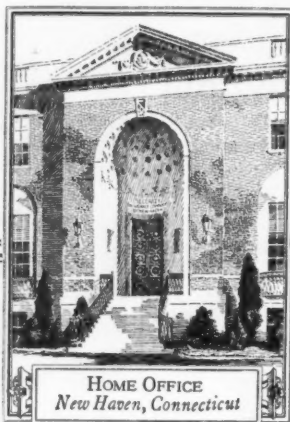
Blagden Manning is retiring from the general agency firm of T. A. Manning & Sons, general agents at Dallas. He has been connected with the organization during his entire business life and has been active in Texas for 20 years. He will be available for counsel and help on important matters. He intends to remain in Dallas looking after his varied interests. He was the senior member of the agency, the others being M. E. Singleton, Jr., and S. F. Yancey.

Menn to Be Virginia Speaker

W. H. Menn, president National Association of Insurance Agents, will address the annual convention of the Virginia association in Richmond May 26-27. He will be on a speaking tour of the east at the time and will go to Richmond from Syracuse, N. Y., after addressing the New York association there. Others who had previously accepted invitations are Roy A. Duffus, Rochester, N. Y., and John H. Egloff, supervisor agency field service Trayers.

To Air Receivership Charges

DALLAS, TEX.—The investigating committee of the Texas senate, which is making a general investigation of insurance company receiverships, is expected to report back to the senate at the next session. Corrective measures will then be sought. Senator Hill introduced figures showing that receivership expenses took 64 percent of the assets of the 28 companies placed in receivership in Texas. The resolution authorizing the investigation said that in many cases the receiver is inexperienced, has no legal ability and as a result he



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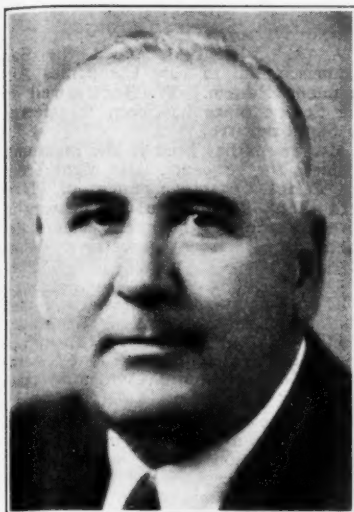
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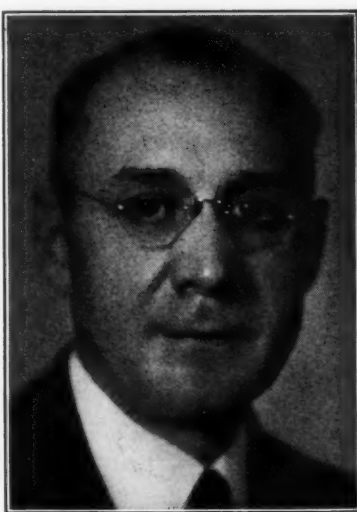
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Speakers at North Carolina Agents Convention May 7-8



THOMAS O'BERRY
North Carolina President



SHERMAN G. OTSTOT
North Carolina Manager



FRANK W. POTTER
Field Supervisor Aetna Casualty

must employ assistance which must be paid for from the assets of the company.

There is a move on foot to have insurance company receiverships handled through a conservator in the state department of insurance, which it is claimed would save hundreds of thousands of dollars.

Boyce to Speak in Oklahoma

John K. Boyce of Amarillo, Tex., National Association of Insurance Agents executive committeeman, is announced as one of the key speakers for the annual convention of the Oklahoma Association of Insurers May 26 in Tulsa. Headquarters will be at the Tulsa Hotel.

Godchaux & Mayer Promotions

NEW ORLEANS—Louis E. Vauthier, for the past 16 years superintendent of agents of Godchaux & Mayer, New Orleans, has been elected vice-president. L. A. Alherstadt, with the accounting department of the agency for 12 years, has been elected secretary-treasurer.

West, Carter at Galax, Va.

Oscar H. West, manager Virginia Association of Insurance Agents, attended a joint meeting of local agents and retail merchants in Galax, Va., May 1. Bernard P. Carter, Richmond general agent, gave his address on the "Cooperative Movement and Its Relation to Stock Fire Insurance."

North Speaks at Jackson

H. P. North, former Nashville general agent, who is to become manager of the Business Development Office in San Francisco, was the principal speaker at a two-day fire prevention meeting, sponsored by local agents, the local chamber of commerce and the Tennessee Fire Prevention Association at Jackson, Tenn.

McCormack Talks to Women

NASHVILLE, TENN. — Commissioner McCormack addressed the Nashville Association of Insurance Women

on "What State Insurance Supervision Means." He declared that "the agent who rebates any part of an insurance premium usually does so without the authority of the company he represents and this practice, if allowed, will tear down the solid foundation of all insurance." The association has begun a six weeks membership drive.

S. E. U. A. Annual Meeting June 14

The annual meeting of the Southeastern Underwriters Association will be held at Hot Springs, Va., June 14, preceded by sessions of the executive committee and other committees June 10-13. The meeting will mark the close of the second successful administration of President Paul B. Sommers, president of the American of Newark.

NEWS BRIEFS

Cooperation between credit, insurance and accounting was stressed by T. A. Fleming, director of conservation National Board, at a joint meeting of the Louisville Credit Men's Association, Louisville Board, Louisville chapter National Association of Cost Accountants and Kentucky Society of Certified Public Accountants.

Mr. and Mrs. Gordon S. Rather of Little Rock are parents of a son. Mrs. Rather was formerly Miss Katherine Mitchener of Marianna, daughter of C. C. Mitchener, secretary Arkansas Association of Insurance Agents. Mr. Rather is a member of the Rather & Beyer agency, Little Rock.

R. K. Webb, with the Tennessee department as fire marshal and chief deputy since 1933, has resigned to do private investigation work in Tennessee for a national organization.

The Gregory-Hassinger Insurance Agency, New Orleans, has been appointed general agent for Louisiana by the American & Foreign.

Local agents of Jonesboro, Ark., had a field day in races in the recent city election. Harry Latourette, Home Insurance Agency, was elected city treasurer. Y. A. Cole, of Cole-Knight

Agency, and Edward Robertson, Jr., of Jonesboro Insurance Agency, were elected aldermen.

The Oklahoma City Insurance Women's Club entertained a group of members of the Tulsa, Shawnee, Wichita clubs at luncheon.

M. R. Owen has opened a new agency at Wynne, Ark.

EAST

H. D. Rice Is Honored in Buffalo on Promotion

BUFFALO—More than 250 attended a banquet here to pay honor to Homer D. Rice, who has been promoted to assistant general manager of the New York Fire Insurance Rating Organization. Since 1935, he has headed the Buffalo division office. A gift was presented to Mr. Rice by Charles H. Wilson, president Buffalo Association of Fire Underwriters.

A native of Buffalo, Mr. Rice entered the insurance business soon after graduation from high school. After eight years with Deuel, Lapey & Co., he was appointed manager of the Buffalo Association of Fire Underwriters. He will remain manager of the association here, commuting weekly by plane.

Among guest speakers were T. J. Cullen, first deputy superintendent of the New York department; G. H. Jamison, examiner in the licensing division; John Kremer, vice-president North America; A. E. Gilbert, vice-president Hanover Fire, and R. S. Garvie, secretary Aetna Fire.

Mayor Scully Demands Rate Cut

Mayor Scully of Pittsburgh has demanded of W. K. Estep, manager of the Allegheny county division of the Middle Department Rating Association, that fire insurance rates in the city be drastically reduced. The mayor states that unless his request is complied with, he will



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lay the matter before the "proper governmental authorities as well as before the people of Pittsburgh." Pittsburgh newspapers state that the "proper governmental authorities" mean the anti-trust division of the department of justice and the temporary national economic committee.

"Middle" Group to Wernersville

The mid-year meeting of the Underwriters Association of the Middle Department is to be held May 19 in Wernersville, Pa. The guest speakers will be W. J. Cheyney, vice-president National Retail Furniture Association, on "Short Cuts to Economic Benefits," and Julius Haber of the Radio Corporation of America, who will talk on "Television."

The executive committee of the association will meet the previous afternoon and the membership will attend a dinner and floor show that evening.

Hugh Johnson Pittsburgh Speaker

Gen. Hugh S. Johnson will be the principal speaker at the banquet in Pittsburgh May 17 during Pennsylvania Insurance Days. He will talk on "Current Events." Governor Arthur F. James of Pennsylvania will be the principal speaker at the opening luncheon May 16.

New England Directory

The Standard Publishing Company of Boston has issued its annual insurance directory of New England. It lists all companies operating in the various New England states, names and locations of their agents, local boards, other associations and brokers. This is the 54th edition of this directory. It contains 1,142 pages and sells at \$4 per copy.

NEWS BRIEFS

C. O. Burney, Jr., state assemblyman addressed the **Erie County (N. Y.) Insurance Agents Association** at a dinner meeting in Williamsville.

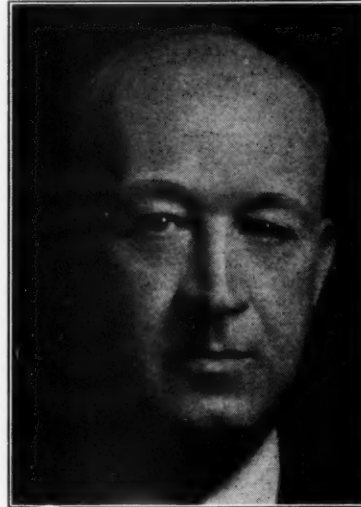
The assets and good will of H. C. Brainard & Co., **Spencerport, N. Y.**, have been purchased by Austin & Foss, who will continue to represent the Great American, Franklin, Hartford, London, Liverpool & Globe, National Liberty, National Union and Hartford Accident.

Director Weller of the Rhode Island insurance division has appointed J. C. Meister an examiner.

PACIFIC BOARD NOMINATIONS MADE



R. L. COUNTRYMAN



CHARLES A. CRAFT

Manager R. L. Countryman of the Pacific Board at San Francisco has for executive committeemen are A. J. Chapman, general agent; L. R. Eby; L. C. Board and C. A. Craft, manager B. Daniels, Seeley & Co.; H. C. Ed-Phoenix of London, chairman of the executive committee, is nominated vice-president. S. L. Carpenter, Jr., willark, and Paul Bates of Portland, Ore.

COAST

Koster Is Vice-President of Colorado Association

DENVER—Harold R. Koster of Salida was named vice-president of the Colorado Association of Insurance Agents at a board meeting here. He succeeds John Reece of Pueblo, resigned. Mr. Koster also replaces Reece as a director. At the same meeting, the board named W. H. Howard of Pueblo to replace Walter Kulp, Jr., also resigned, as a board member.

It was decided that the annual meeting of the Colorado association will be held in Denver some time in September, prior to the national convention, the exact date to be set later. Secretary Frank England, Jr., of Denver was instructed to write a letter of congratu-

lations to the new insurance commissioner, Luke J. Kavanaugh, offering the services of the association in any manner whereby they might be helpful. A resolution was passed thanking Hal D. Van Gilder for the work he did in connection with an agency limitation bill, which was killed by the legislature.

Pelletier Heads California General Agents Association

SAN FRANCISCO—F. J. Pelletier of the general agency of Hinchman, Rolph & Landis was elected president of the California Association of Insurance General Agents at the annual meeting here. Don E. Kessler, Jensen & Kessler, was elected vice-president and John Demmer, Victor Montgomery general agency, secretary-treasurer. Mr. Pelletier succeeds L. B. Daniels of Seeley & Co., president of the American Association of Insurance General Agents.

Tells Rate Making Procedure

LOS ANGELES—Assistant Secretary L. H. Earle of District C, Pacific Board, showed the Los Angeles board of education's adult evening class on insurance "how the wheels go round" in the matter of rate making and handling of insurance matters coming within the purview of the board.

California Fire Chiefs' Speakers

Among the speakers at the joint convention of Northern and Southern California Fire Chiefs Clubs in Fresno May 6-7 are R. R. Gordon, special agent National Board, who will discuss arson investigations; John Colton, engineer at Los Angeles for the Pacific Board, and Jay W. Stevens, chief of the fire prevention bureau of the National Board and secretary of the Pacific Coast and International Associations of Fire Chiefs.

McPherson Follows Stutt

S. E. McPherson has joined the New Zealand to serve as special agent in the Bay counties of California. He was formerly agency superintendent for the Netherlands in San Francisco. He thus is following the course of C. C. Stutt, former Pacific coast manager of the Netherlands, who is now U. S. manager of the New Zealand and South British. Mr. McPherson has been in the California field 20 years. He is a past president

of the Special Agents Association of Central-Northern California and was recently made president of the Pacific Coast Conference of Blue Goose Ponds.

Adjustment Bureau Changes

A. A. Cairns has joined the San Francisco unit of Fire Companies Adjustment Bureau. W. T. Burwell of the Seattle office has been transferred to San Francisco.

Mr. Cairns has been in the insurance business for 16 years. He went from the Pacific Coast department of Hartford Fire. Previous to this he was in Fire Companies Adjustment eastern department as resident adjuster in Worcester, Mass.

E. R. Pickett, former president of the California Association of Insurance Agents and the Sacramento Insurance Exchange, is president of the Sacramento-Golden Empire Centennial celebration in Sacramento, Cal.

Insurance Post 404 of the American Legion in San Francisco heard a first-hand description of the new "Jay W. Stevens Disaster Unit" of the Portland, Ore., fire department from Chief Brennan of the San Francisco fire department.

Insurance Girls Service Club of Los Angeles has nominated these officers to be voted on at the May meeting: President, Jean Smith; vice-president, Claire Russell; secretary, Louise Salter; corresponding secretary, Ellen Landes and Mary McNeal; treasurer, Ann DeCosta.

The annual golf tournament of the Insurance Accountants Association will be played May 19 on San Francisco's Ingleside golf course.

Kennard Jones, secretary fire and accident prevention committee Spokane chamber of commerce, has become manager of the fire insurance department of Central Business Property Company. He was with the Home of New York.

F. N. Bellinger, chairman membership committee Insurance Agents League of Washington, announces a membership drive starting the week of May 8.

Irwin Mesher, Seattle, executive secretary Insurance Agents League of Washington, is mourning the death of his father, Alex B. Mesher, 61, who died following a major operation. Mr. Mesher was well-known in building construction, lumber and allied fields.

W. J. Troy, well known independent adjuster who has been serving the fire companies in western New York for over 20 years, has moved his office from Graves street to the Terminal building, Rochester, N. Y.



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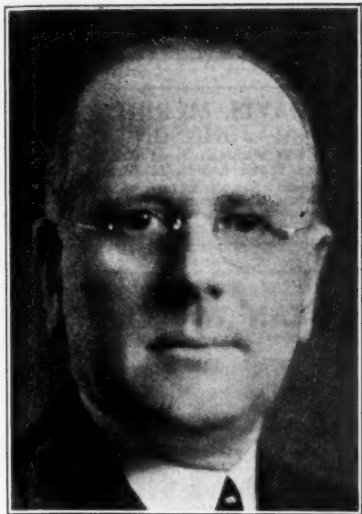
**DETROIT NEW YORK CHICAGO
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MARINE INSURANCE NEWS

Large Attendance Expected

Inland Marine Underwriters Association Will Have Important Subjects at Its Annual Rally

A large attendance is expected at the annual meeting of the Inland Marine Underwriters Association at White Sul-



E. J. PERRIN, JR.

phur Springs, W. Va., Thursday and Friday. E. J. Perrin, vice-president Automobile, is president and will preside. W. F. Boylan of New York City, eastern representative St. Paul Fire & Marine, is chairman of the executive committee. The association is very active and at its meetings the members are spirited in their discussions, the committee reports are well worth while and often challenged. The I.M.U.A. is rather militant and recently has imposed a number of fines for violations. It has assumed jurisdiction over more and

more classes and has been able to stabilize the business very effectively.

During the year there developed considerable opposition to the group that has been rather dominant in the organization and the nominating committee has recommended a compromise ticket for officers which undoubtedly will be elected.

There has been some feeling manifesting itself in the west on the ground that authority is too much centralized at head offices and particularly in the east. The western men are appealing for more home rule declaring that being well acquainted with local conditions they can solve problems more satisfactorily at short range.

Small Boats Need P. & I. Coverage

Marine underwriters are interested in the judgment that was recovered the other day by a 13-year-old boy in the circuit court at Chicago of \$2,500 on account of injuries suffered in a small boat accident on the lake front of Evanston, Ill., May 30, 1937. The mistaken notion is held by a good many that the limit of recovery in any sort of marine accident is the total value of the boat that was at fault. The fact is that such limitation of liability operates only in the absence of fault and privity of the boat owner. A man operating his own boat does not enjoy this limitation of liability and he is in no different position than if he had caused an accident while operating his automobile. The young man against whom the judgment of \$2,500 was recovered is Stanley Jensen, 26 years of age, of Lincolnwood, Ill.

The accident took place on Memorial Day. This was a warm day and the beach was crowded. Jensen was stunting in his boat, an outboard motor contraption, rather close to the shore line. In making a turn he hit a piling and was thrown from his boat. The boat continued to run free, however, and struck a canoe in which Gordon Young, the boy who got the judgment, and a companion were paddling. Both of the boys

suffered skull fractures and other injuries.

A good many small boat owners do not carry liability and property damage insurance. Probably a good many of them don't realize the hazard or the fact that their liability is just about the same on the water as it is on land. The public liability and property damage coverage for small boat owners is called protection and indemnity insurance, although it does not correspond to the regular P. & I. coverage that large boat owners carry. Various features that are inapplicable to small boats are eliminated, such as violation of customs regulations, damage to cargo, etc. The P. & I. policy for small boat owners is the equivalent of public liability and property damage insurance on automobiles.

This is a time of great activity among boat owners in the northern section of the country, as they are preparing to put their boats in the harbor for the year. In many places the traditional time for getting the boats in the water is the week end before Memorial Day. A good many boats are changing hands just at this time and agents that are interested in placing yacht insurance must concentrate their efforts in the next week or two if they have not already made their connections.

Set May 23 Hearing in Wisconsin Issue

MADISON, WIS. — Commissioner Mortensen announced that under the law he is required to give a ruling within three days after the completion of the hearing in the Wisconsin marine situation. The hearing has been scheduled for May 23, and all arrangements are being made to complete the hearing within two days. Mr. Mortensen said that if the hearing is completed without further delay his decision will be made promptly upon the facts.

Pending the decision Mr. Mortensen has agreed with the marine insurers to stay the order issued some time ago putting new rules and regulations into effect regarding the marine situation. From legal sources outside of the capitol it was learned that there is a movement among some of the marine companies to ask for the withdrawal of the petition and in its place request a conference with the commissioner and the marine companies. This new movement is being suggested in the belief that most of the difficulties can be ironed out without further litigation. Commissioner Mortensen, however, said that he had heard nothing of this new movement and that he is going ahead making plans for the hearing on May 23.

The request for a hearing in Wisconsin was made by only 10 companies and Mr. Mortensen at first ruled that these 10 companies did not have to comply with the May 1 deadline for issuing marine policies in the form of endorsements to the standard fire policy but that all other companies would be expected to comply on May 1. However, he reconsidered and the deadline was extended until after the hearing for all companies.

Many of the companies are not issuing new policies during May, but are merely holding business under binder, subject to the decision following the May 23 hearing.

Klahre Heads Marine Loss Department of Chubb & Son

Henry A. Klahre, formerly assistant manager of the marine loss department of Chubb & Son, now becomes head of that department, following the retirement of William Stevens. Mr. Klahre has been with Chubb & Son since 1915 and has been in the loss department throughout. He has been assistant manager since 1933.

Mr. Stevens started in the business in 1892 with Union Marine in Liverpool. He came to the United States in 1906 and went with the loss department of

Chubb & Son. He has been its manager for 20 years.

W. R. Cunningham, heretofore manager of the salvage department, becomes assistant manager of the marine loss department. He has been with Chubb & Son since 1919.

E. C. Ladd with Atlantic Mutual

Atlantic Mutual of New York announces that E. Clifford Ladd has joined the underwriting staff of the New York

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Fourth National Bank Bldg.
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WOODWARD, DAWSON & HOBSON

Insurance Attorneys
1805-26 Kentucky Home Life Bldg.
Louisville, Kentucky

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WALTER L. CLARK

Russel C. Thomsen
Clater W. Smith
Baltimore Trust Bldg.
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office. He has been an inland marine underwriter in the New York office of Commercial Union since 1934.

Fete A. B. Grant at Luncheon

A. B. Grant, the retiring United States manager of Thames & Mersey Marine of the Royal-Liverpool group, was fete at a luncheon in New York given by Frank B. Zeller, who becomes head of the marine department of Royal-Liverpool, the new department being a combination of three former separate divisions. Mr. Grant is retiring after 40 years' service with his company. Mr. Zeller acted as host and toastmaster. Harold Warner, U. S. manager of Royal-Liverpool, spoke in appreciation of Mr. Grant's service. Other speakers were Douglas F. Cox, president of Appleton & Cox, and D. Roger Englar of the admiralty law firm of Bigham, Englar, Jones & Houston.

Mr. Zeller read a cable from the managers of the Royal-Liverpool groups in England and from Mr. Grant's associates in Thames & Mersey in Liverpool.

W. A. Foote, Buffalo manager of the Fidelity Mutual Life since 1934, has gone to San Diego, Cal., to open offices there as western representative of John H. Wells, Inc., New York City marine brokers.

The Merchants & Manufacturers of New York has been licensed in British Columbia.

Ralph L. Burns of Nowata, Okla., will continue the agency of his mother, the late Mrs. Ida Burns, in Heber Springs, Ark.

Raymond R. Ramsey, prominent independent adjuster of Chattanooga, has moved to larger quarters in the Volunteer building.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business May 1, 1939

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	101	104
Aetna Fire	10	1.60	42½	44½
Aetna Life	10	1.35*	27	28½
Agricultural	25	3.25*	71	73
Amer. Alliance ..	10	1.20*	21	22
Amer. Equitable ..	5	1.20	21	23
Amer. Home	10	...	6½	8
Amer. (N. J.) ..	2.50	...	12½	13½
Amer. Surety	25	2.50	48	50
Automobile	10	1.30*	29	31
Balt. Amer.	2.50	3.00*	6	6½
Bankers & Ship ..	25	5.00	86	89
Boston	100	21.00	590	610
Camden Fire	5	1.00	19½	20½
Carolina	10	1.30	25	27
Contl. Cas.	5	1.20	30	32
Contl. N. Y.	2.50	1.80*	31	32
Crum & Forster ..	10	1.00	23	25
Employers Reins. .	10	1.60	48	50
Fidelity-Phen. ..	2.50	1.80*	31	32
Fire Assn.	10	2.50	60	62
Firemen (N. J.) ..	5	1.40*	27	28½
Franklin	5	2.00	37	39
Gen. Reinsur.	5	1.60	37	39
Glens Falls	5	.50	10	11
Globe & Repub. ..	5	1.20*	24½	26
Gt. Am. Fire	1	.20	9½	11
Gt. Amer. Ind.	1	1.00**	21	22
Halifax Fire	10	1.20	24	25½
Hanover Fire	10	2.00	70	72
Hartford Fire	10	1.60	50	53
Hartford St. Boil. .	10	...	1	1½
Home Fire Sec.	5	1.60*	28½	30
Home Ins. (N.Y.) ..	5	...	9½	11
Home Indem.	2	...	61	63
Ins. Co. of N. A. ..	10	2.50*	2½	3
Lincoln Fire	5	...	3	3½
Maryland Cas.	1	...	57	59
Mass. Bonding.	12.50	3.50	40	44
Merch. com. (N.Y.)	5	1.70*	25	26½
Natl. Cas.	10	1.20*	54	56
Natl. Fire	10	2.00	7	7½
Natl. Liberty	2	.40*	115	122
Natl. Union	20	5.00*	12½	13½
New Am. Cas.	2	.65	43	45
New Hampshire ..	10	1.80	4	4½
Northeastern of Hartford (N.Y.)	5	5.00*	88	92
North River	2.50	1.20*	24	26
N. W. Natl.	25	5.75*	125	130
Phoenix, Conn.	10	2.50*	71	73
Preferred Acci.	5	1.00*	17½	19
Prov. Wash.	10	1.40*	31	33
Republic, Tex.	10	1.20	25	26
St. Paul F. & M.	62.50	8.00	218	224
Security, Conn.	10	1.40	28½	30
Sprgfd. F. & M.	25	4.75*	110	114
Travelers	100	16.00	445	460
U. S. Fire	4	2.00	47	49
U. S. F. & G.	2	1.00	19½	20½
Westchester Fire ..	2.50	1.60*	29	31

*Includes extra. **Canadian funds.

MOTOR**See Opportunity for Business Increase**

Those particularly interested in fire, theft and collision automobile insurance believe that they will profit materially by action of the National Bureau of Casualty & Surety Underwriters in making a sharp rate reduction of 20 and 25 percent on pleasure cars for property damage and personal injury. Very frequently the fire companies found themselves in the same agency with an automobile specialty company as the rules of the organizations applying to agency clearance did not prohibit the presence of a specialty company. An agent, therefore, began to favor the specialty company because of the rate differential for property damage and liability and probably a higher commission. The specialty companies to a large extent write the entire automobile insurance for an owner although the fire, theft and collision rate was not cut. The agent would make a plea for one policy giving full coverage. In this way much business was diverted to the specialty companies. They were aggressive, they devised simpler rate manuals and in many ways gave particular help to agents. Even now the fire companies writing automobile insurance are beginning to receive new business that is being shifted.

Palmer Calls New Finance Meeting

Insurance Director Palmer of Illinois has called a meeting for Friday afternoon of this week in the Chicago Board auditorium on the automobile finance question. He has summoned to appear executives of companies writing finance business, that have the authority to act. Mr. Palmer did not indicate the precise purpose of the meeting. He has been extremely active in seeking to bring about reforms in the writing of finance business. In the past year or so he has had a number of meetings with company executives and he collected extensive information on the line through questionnaires.

Hold Annual Meeting May 24

NEW YORK — The annual meeting of the National Automobile Underwriters Association will be held at the Waldorf-Astoria Hotel, May 24, the day preceding the annual gathering of the National Board. President W. F. Beyer will submit his report, covering the activities of the year and giving the major problems in process of solution. As it is customary to retain the president in office for two successive terms, it is taken for granted Mr. Beyer, who is vice-president of the Home, will be re-elected.

Major Joins With Fitzgerald

H. S. Major of Halifax, Nova Scotia, who has for the past 20 years been identified with the adjustment business in Nova Scotia and Newfoundland, the last nine years as assistant to the late J. Gillis Keator, is associating himself with M. D. Fitzgerald, who, also, has had many years experience in the insurance and adjustment field. His office is in the Roy building, Halifax.

McBeath on British Columbia Board

James P. McBeath, Vancouver, has been appointed to the British Columbia insurance board, succeeding G. H. D. Gibson as representative of independent agents. Others on the board are W. R. Sloan, representing British Columbia Underwriters Association members; Donovan Allen, representing other insurers, and James T. Armstrong, representing agents appointed by association insurers.

Legislation and Lower Auto Rates Up

(CONTINUED FROM PAGE 4)

against agents and little criticism of rating bureaus indicate that agents are becoming exemplary, he commented.

Since the insurance business has wide public interest, it needs many laws to circumscribe limitations, Commissioner Mortensen stated. Enforcement and supervision is invested in the insurance department which attempts to keep companies and agents within due boundary

of laws on the statute books. There have been charges that the department is too drastic and too rigid in enforcement, but its attitude is only to have compliance and enforce the intent of the statutes. Relief, he said, can only be obtained by statute or amendment from the legislature. He commented that inland marine insurance apparently got its start back in the bullrushes.

"In this day and age, with shrinkage in valuations, rate reductions and keen competition," said Mr. Mortensen, "I can see nothing bright in the horizon for the agency force. Fire proof construction and improved fire fighting facilities tend to lower the cost of insurance and reduce premiums, with corresponding reduced commissions. There doesn't seem much the agent can do to stop rate reductions. The agents should have their share of the premium out of the expense ratio. With 20 millions of fire premiums and eight million paid in losses, the public feels such proportion is unreasonable and unjust and expects reduced costs for protection.

"The only hope for the agent, as I see it, is to extend his energy and efforts to increase volume of business by more intensive selling and solicitation of more new prospects. The business of insurance is giving the public needed protection," Mr. Mortensen said, "and is entitled to a fair remuneration."

The meeting unanimously passed by a rising vote a resolution expressing to Mr. Mortensen thanks and appreciation of the local agents of Wisconsin of his service as insurance commissioner during the past eight years.

Calhoun Reports on National

Controversial questions of the business were diplomatically handled at the recent mid-year national meeting, said Mr. Calhoun, national councillor of the Wisconsin association and past national president. "The national and state associations are on the firing line during this dark period in the insurance business. If there ever was a time the agent needs help, it is now," he said.

Speaking on "Legislating the Agent Out of Business," Lyle Beach, assistant general counsel Continental Casualty, pictured a potential menace to the American agency system which is occasioned by some legislation introduced in various states. This legislation, he said, is an agent's problem since much of that introduced affects the agent as much or possibly more than the companies. He referred to compulsory automobile liability insurance, with state fund; financial responsibility laws; savings bank competition in solicitation of business, non-profit hospital service and sickness insurance, and other insurance legislation that threatens the insurance business and the future of the local agent.

Eighty Bills Introduced

There are 80 insurance bills introduced in the present Wisconsin legislative session, said Irving Mehigan, legislative counsel Insurance Federation of Wisconsin. Among the most important he listed the Bichler compulsory auto liability insurance bill; the Schlyter bill to restrict the state fund to state property; the tavern bond repeal measure, and the Engebretson bill to exempt \$10,000 in life insurance payable to a named beneficiary from state inheritance taxes. Mr. Mehigan said present indications point to another three or four months of the present session. He urged the agents to cooperate in contacting their assemblymen and senators whenever called upon.

Insurance agents of Wisconsin have no axe to grind in legislation and seek only a fair deal, L. C. Hilgemann, Milwaukee, chairman of the association's legislative committee and president of the Insurance Federation of Wisconsin, said. The legislative committee meets weekly with representatives of all branches of insurance to discuss proposed and pending legislation and progress of bills.

Praising the Business Development program of giving more attention to the

rural agent who needs more organization than the city or urban agent, Hugh Bird, Beaver Dam, chairman of the B. D. O. and rural agents' committee, told of the organization and functioning of county associations and boards. Bringing the association into the smaller communities fills an important need, he said, because many of those agents don't get to the annual and mid-year meetings. County boards have enabled the rural agents to keep and recapture business by working together as an organization to meet competition.

Mr. Calhoun was called upon to give expression to the automobile insurance situation with the threatening reduced income to agents resulting from current rate reductions. In past years agents have built up a substantial percentage of their business in automobile casualty business. The safe driver reward plan, he said, had the earmarks of breaking down the morale of the American agency system. More recently there have been several reductions in automobile casualty rates, despite the fact that the companies told the commissioner not so long ago that they needed increased rates to meet losses. Certain casualty companies, Mr. Calhoun maintained, are deliberately tearing down the agency system by wearing down the commission dollar and threaten the solvency of the agent who seems headed for bankruptcy in his own business and for a salaried job with the companies, unless the agents join in protecting their vested rights and the American agency system.

Attack Change in Marine Rating

(CONTINUED FROM PAGE 3)

theory that the personal property floater is essentially a fire insurance contract and that the Chicago Board and the new bureau would be promulgating rates for the same property, in contravention of the code provision.

The insurance department takes the position that reference in the code to the "same property" should be construed as meaning that a company shall not belong to more than one rating bureau promulgating rates for the same hazard on the same property and that the hazard covered under the personal property floater and the fire insurance contracts are different.

It is interesting that in Illinois and Wisconsin the inland marine issue is attracting nationwide interest and that the insurance departments of the two states are taking diametrically opposed posi-

tions. In Wisconsin, Commissioner Mortensen is seeking to have classified as fire insurance all those forms of inland marine coverage that do not prominently involve the transportation hazard. He got a supreme court decision upholding him in every respect and then he issued orders that for most types of inland marine insurance, the standard fire policy must be issued and the all risk features added by endorsement.

In Illinois, Insurance Director Palmer is insisting that the personal property floater be written in one package. Heretofore, it has been permissible in Chicago to write the personal property floater, ex-fire. The rules of the new personal property floater bureau prohibit the issuance of the contract on that basis. Much of the personal property floater business in Chicago has been written on an ex-fire basis. This permits agents to receive the regular Chicago Board commission on the fire insurance portion and suffer a reduced commission allowance only on the loading.

The Inland Marine Underwriters Association desired to have the new personal property floater bureau regulate commissions as well as rates and forms. Most of the independent stock companies objected to that part of the program and they were able to get an agreement that the bureau would not touch commissions. The outsiders also desired to perpetuate the system of writing the personal property floater, ex-fire, but they were overruled on that point.

Companies belonging to the Inland Marine Underwriters Association in Illinois are currently confronted with the necessity of handling the personal property floater on three different bases in three successive months. During April the old rules applied. Beginning May 1, I. M. U. A. companies are required to follow the rules that were promulgated when the Illinois Personal Property Floater Bureau was first established. The original intention was to make the rules effective May 1. During May these companies must observe those rules and rates. Then, commencing June 1, they will be required to conform to the new bureau rates and rules.

Postpone Expirations Case

PITTSBURGH.—Hearing of the suit in equity of Johnston & Harder against the Massachusetts Bonding, for cancellation of its general agent's contract in 1936 was continued until this week. Ownership of the expirations is involved. Vice-Presidents John T. Flynn and Spencer Welton of the Massachusetts Bonding were in Pittsburgh last week to testify.



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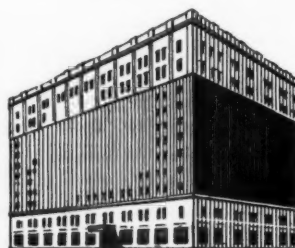
ALABAMA	
THOMAS JEFFERSON	Birmingham
ILLINOIS	
HOTEL FAUST	Rockford
LOUISIANA	
JUNG HOTEL	New Orleans
HOTEL DESOTO	New Orleans
MISSISSIPPI	
HOTEL RIVIERA	Biloxi
HOTEL LAMAR	Meridian
NEBRASKA	
HOTEL PAXTON	Omaha
NEW MEXICO	
HOTEL CLOVIS	Clovis
OKLAHOMA	
OKLAHOMA BILTMORE	Oklahoma City
HOTEL HUBER	Muskogee
HOTEL BELMONT	Oklahoma
HOTEL SAPULPA	Sapulpa
HOTEL ALDRIDGE	Wewoka
TEXAS	
HOTEL ALICE	Alice
STEPHEN F. AUSTIN	Austin
HOTEL SETTLES	Big Spring
HOTEL BROWNWOOD	Brownwood
HOTEL SOUTHERN	Brownwood
HOTEL LAGUNA	Cisco
HOTEL CORTEZ	El Paso
HOTEL TEXAS	Fort Worth
HOTEL BUCCANEER	Galveston
HOTEL JEAN LAFITTE	Galveston
CORONADO COURTS	Galveston
MIRAMAR COURT	Galveston
HOTEL CAVALIER	Galveston
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HOTEL FALLS	Marlin
HOTEL GHOLSON	Ranger
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ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND

111 JOHN STREET
NEW YORK

United States Branch

Statement December 31, 1937

ADMITTED ASSETS

U. S. Treasury Bonds	\$1,609,430.74
Other Bonds	1,092,741.25
Stocks	88,729.00
Accrued Interest	22,968.47
Cash in Office and Banks	118,253.45
Premiums in Course of Collection	69,094.82
(Less than 90 days due)	\$3,001,217.73

LIABILITIES

Reserve for Unearned Premiums	\$ 127,716.91
Reserve for Outstanding Losses	33,049.40
Reserve for Other Liabilities	32,719.42
Voluntary Contingency Reserve	307,732.00
Total Liabilities	\$ 501,217.73
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
	\$3,001,217.73

Bonds and Stocks owned are valued in accordance with the requirements of the New York State Insurance Department and the National Association of Insurance Commissioners. Securities carried in the above Statement at \$1,255,477.84 are deposited as required by law.



NEAL BASSETT

United States Manager

111 JOHN STREET, NEW YORK





Tailored to YOUR MEASURE



Your business will profit by the help of *your* NF Group Counselor. Whatever the problem, he's probably met it somewhere before. Call him in today.



YOUR agency is different from most. There is no average, typical agency. Not only are *you* an individual with methods and practices unlike most other agents, but your community has peculiarities and conditions that make your problems very special ones.

Long ago we recognized that fact. Our efforts in serving our large agency force have, therefore, become more and more varied as they have become more and more complete. A sales plan that wowed them in Cisko might be a terrible

flop for you. Rating help or new tips on some obscure line might be right down your alley, but wouldn't be worth a plugged nickel three counties away.

So *your* NF Group Counselor — the fieldman who serves your community for the companies of The National Fire Group — long since learned that the first thing to do when he walks into an agency is to find out what help that agent needs, if any. His job is to help you solve your business problems, whatever they are. Call on him. His service is tailored to your measure.

THE NATIONAL FIRE GROUP

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD — TRANSCONTINENTAL INSURANCE COMPANY
MECHANICS & TRADERS INSURANCE COMPANY — FRANKLIN NATIONAL INSURANCE COMPANY of NEW YORK

Home and Administrative Offices: 95 Pearl Street, Hartford, Connecticut

Western Department: 175 West Jackson Boulevard, Chicago — Pacific Department: 234 Bush Street, San Francisco